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ABSTRACT

Problems facing vocational education and child nutrition programs if proposed funding cuts take effect were detailed by vocational educators and nutrition specialists at a regional hearing of the United States House of Representatives Subcommittee on Elementary, Secondary and Vocational Education in Ashland, Kentucky, March 13, and Lexington, Kentucky, March 14, 1981. The many vocational educators who testified at the hearings contended that the proposed 25 percent cut in fundings in the reauthorization of the Vocational Education Act of 1963 would undermine programs already seriously jeopardized by state and local funds cutbacks. The vocational educators stressed that vocational education programs are training persons for employment and preventing them from going on welfare, and that most programs already had long waiting lists and overused facilities. Nutritionists and school lunch program directors from Kentucky and surrounding states explained that the school lunch program was set up in 1946 to insure the adequate nutrition of all children, not just the poor. They pointed out that ending subsidies for poorer children would mean raising the prices of school lunches to children from higher-income families to a point that most of these children could no longer afford to buy lunch; since paying students had helped carry the program's costs, their decline in participation could mean the end of nutritious lunches in many school districts. Prepared statements, studies, and other supplementary materials are included in the hearing transcript. (KC)

ED212826

HEARINGS ON REAUTHORIZATION OF THE VOCATIONAL EDUCATION ACT OF 1963

Part 3: Vocational Education and Child Nutrition Programs

HEARINGS
BEFORE THE
SUBCOMMITTEE ON ELEMENTARY, SECONDARY,
AND VOCATIONAL EDUCATION
OF THE
COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES
NINETY-SEVENTH CONGRESS
FIRST SESSION
ON
H.R. 66
TO EXTEND THE AUTHORIZATION OF APPROPRIATIONS
UNDER THE VOCATIONAL EDUCATIONAL ACT OF 1963

HEARINGS HELD IN ASHLAND, KY., MARCH 13, AND
LEXINGTON, KY., MARCH 14, 1981

Printed for the use of the Committee on Education and Labor

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CONTENTS

Page

Hearings held in:

Ashland, Ky., March 13, 1981 1

Lexington, Ky., March 14, 1981 269

Statement of:

Adams, Dr. Richard, superintendent, Upper Valley Joint Vocational School District, Ohio 526

Affeldt, Cordell, president, Indiana State Teachers Association 485

Atkins, Clarence, director, School Food Service, Elliott County, Ky 95

Baldwin, Donna, director, School Food Services, Carter County, Ky 90

Barber, Raymond, superintendent of public instruction, State of Kentucky, accompanied by Redwood Taylor, Head of the Office of Resource Management and Robert Spillman, assistant superintendent for vocational education, Kentucky Department of Education 270

Bell, Hortense H., Nutrition Consultant, Wood County School Lunch Program, Parkersburg, W. Va 253

Binion, Eugene, superintendent of school, Elliott County, Ky 40

Bishop, Edward S., Sr., chairperson, Mississippi State Advisory Council on Vocational Education 555

Bobo, Thomas, associate superintendent, Montgomery Public School System, Ala 425

Boeth, Ronald E., president, Missouri National Education Association 513

Boggs, Robert, superintendent, Grayson County Schools 381

Brown, Harry P., director, Eastern Kentucky Educational Development Corp., Ashland, Ky 3

Chattin, Charles, regional director, Vocational Region 10, Ashland, Ky 7

Clough, Roger, superintendent, Mason City Community Schools, Iowa 457

Cole, Dr. Douglas, superintendent of schools, Boyd County, Ky 44

Cole, John, manager of employment services, Philip Morris, Louisville, Ky 309

Cornett, Elwood, director, Kentucky Valley Educational Cooperative, Hazard, Ky 294

Crabtree, Howard, Millwrights and Carpenters Union 69

Davis, Dennis E., assistant superintendent, Kanawha County Schools, Charleston, W. Va 218

Davis, Jim, director, Food Services Program, Pike County, Ky 38

Dewalt, Kathleen, nutritionist, University of Kentucky 410

Dickerson, Dr. Warner, assistant commissioner for vocational education, Tennessee State Department of Education 559

Dickinson, Ronald, administrator, Area Education Agency No. 7, Iowa 475

Edie, William A., national sales manager, Caudill Seed Co., Louisville, Ky 316

Evans, Bill, regional director, Jefferson Vocational Education Region, Louisville, Ky 300

Ferr, Charles, administrative assistant, Kentucky Department for Human Resources 376

Firestein, Frank, assistant superintendent, Russell Independent Schools 96

French, Gwendolyn B., director, Mason County School Food Services, Kentucky 106

Gehr, Robert, president, United Auto Workers CAP, Troy/Lima Area, Ohio 213

Gover, David, superintendent, Paris Independent Schools 383

Gravenmier, Faith, school lunch director, West Virginia 259

Grever, Elizabeth, health and nutrition coordinator, Community Coordinated Child Care 403

Statement of—Continued

	Page
Groves, David H., director, Vocational, Technical and Adult Education, Cabell County Public Schools, Huntington County, W. Va	224
Hackworth, June, personnel representative, National Mine Service Co., Ashland, Ky., on behalf of J. Qualls, Manager, NMSC	66
Haight, Harold, manager, Rural Electric Cooperative Corp., Grayson, Ky	60
Hale, Leah, director, school food service program, Martin County, Ky	93
Hale, Richard, manager, Tri-State Marketing, Ashland Petroleum Co	66
Hall, John, Ohio Education Association	225
Harmon, Ellis, business representative, Ironworkers Local No. 769, Ashland, Ky	59
Harvey, Paul, superintendent of labor relations, Allied Chemical Co., Ashland, Ky	58
Henrikson, Jon, vice president, Kentucky Education Association, Louisville, Ky	291
Hensley, Nunna, West Virginia Food Law Project, on behalf of the West Virginia Anti-Hunger Coalition	256
Huffman, Harold, executive vice president and general manager, Bowling Green-Warren County Chamber of Commerce, Inc., and Bowling Green-Warren County Industrial Foundations, Inc., Bowling Green, Ky	349
Hull, William, superintendent of education service region, Harrisburg, Ill.	548
James, Billy, on behalf of Ruby Vencill, school food service director, Rowan County Board of Education, Kentucky	87
Jenkins, Peter E., director, Human Resources, Hobart Brothers Co., Troy, Ohio	531
Jeter, Harold, specialist in equal opportunity affairs, Ashland Oil	50
Johnson, Bill, director of communications, West Virginia Education Association	227
Joseph, Anne, Kentucky Hunger Task Force	409
Karickhoff, Mrs. Maudie, project assistant, Department of Home Economics, Marshall University, Huntington, W. Va	251
Kersey, George, Jr., past president, Tennessee Education Association	491
Kershaw, Tom, Eastern Kentucky Concentrated Employment Programs, Inc.	365
Kitchen, Gary, president, Standard Supply Co., Portsmouth, Ohio	215
Kocio, Juanita, director, School Food Services, Ashland Independent Schools, Ashland, Ky	81
Koon, Robert H., director, Division of School Food Service, Ohio State Department of Education	241
Leech, Wade, director, School Food Services, Wood County, W. Va	245
LeMaster, William, education director, United Auto Workers, Ohio	532
McClure, Nancy, vocational industrial training coordinator, Mississippi Junior College, Delta District, Moorhead, Miss	551
Mallory, Alva E., director of instruction and vocational education, Genesee Intermediate School District, Michigan	522
Marec, Ronald, president, Ohio Federation of Teachers, AFT, AFL-CIO	496
Marshall, Trudy, Kentucky Council of Churches	409
Martin, Mrs. Edyth F., director of special projects, Kanawha County Schools, Charleston, W. Va., on behalf of Ms. Mary Pullen, director, School Food Service	246
Martinsbury, Barbara A., community nutritionist, Lexington, Ky	411
Mays, Thelma, school food service director, Fayette County Schools	379
Mika, Walter J., Jr., president, Virginia Education Association	510
Morrison, Joseph, assistant superintendent, Wood County School System, Parkersburg, W. Va	250
Mullins, Charles, Greenup County, Ky	79
Napier, Charlie, Ashland Works, Eastern Steel Division, Armco, Inc., Ashland, Ky	55
Napier, Mose, superintendent of schools, Wayne County, W. Va	46
Nelson, Agnes, a local mother	412
Osborne, David, president, Kenco Associates, Ashland, Ky	63
Powell, Hazel, School Food Service director, Middlesboro Independent Schools	392
Powell, Keith, director, Head Start, Ashland City School System	108
Reliford, Paul, superintendent, Fairview Independent Schools, Westwood, Ky	98

Statement of—Continued

Page
Roberts, Arnold, coordinator of Federal programs, Pike County Public Schools, Pike County, Ky.; accompanied by Larry Burke, supervisor, vocational education, Pike County 31
Rose, Allen, personnel manager, Roll Forming Corp., Shelbyville, Ky 310
Rotert, William, director, division of administrative services, Hamilton County Schools, Ohio 452
Runkel, Dr. Phillip, Michigan State superintendent of instruction 110
Shebuski, Donald, superintendent, Ingham intermediate unit, Michigan 454
Shill, James F., director, research and curriculum for vocational education, Mississippi State University, Mississippi State, Miss 552
Shoemaker, Byrl R., executive director, vocational and career education, Ohio State Department of Education 210
Short, Kathleen, school food service director, Jefferson County Schools 389
Singleton, Vesper, principal, Carr Creek Elementary School, Hindman, Ky 292
Skaggs, Bronelle, regional director, Big Sandy vocational education programs, Paintsville, Ky 15
Smith, Ann, acting State director, North Carolina Department of Education 415
Smith, Melvin, president, Illinois Education Association 515
Smith, T. G., coordinator of child nutrition programs, Alabama State Department of Education 422
Sorensen, James E., production superintendent, Hartzell Propeller, Inc., Piqua, Ohio 529
Stanford, Diane, director, Ashland Child Development Center 102
Stevens, Edward 81
Stevens, Ishmael, supervisor of employment, Ashland Oil 53
Taylor, Redwood, head of the office of resource management, Kentucky Department of Education 281
Taylor, Walter S., Kentucky Electric Steel, Ashland, Ky 61
Turner, Arthur, superintendent, Cape Girardeau Public Schools, Mo 479
Turner, Stan, administrator of construction project training, Daniel Construction Co., Greenville, S.C 351
Underwood, Helen, School Food Service director, Bullitt County Schools 401
Vansant, Dr. John, regional director, Vocational Region 9, Morehead, Ky 26
Waldrop, Suzanne H., president, National Association of Vocational Home Economics Teachers, Barren County High School, Glasgow, Ky 295
Watson, Dr. Gene, superintendent, Madison County, Huntsville, Ala 449
Watts, Doris, School Food Service director, Campbell County Schools 380
Wells, John, commissioner, Kentucky Department for Human Resources 359
Whitaker, Bobby Joe, superintendent of schools, Montgomery County, Ky 285
Will, Eileen, School Food Service director, Scott County Schools 396
Wood, Wilma, director, child nutrition, Trotwood-Madison City School, Ohio 420
Woodruff, Jeanine, parent, child development program employee, Huntington, W. Va 254
Wright, Frances, director, School Food Service, Lawrence County Schools, Kentucky 107
Yanni, Hon. Albert, member, House of Delegates of the State of West Virginia 138
Zimmer, Steve, Louisville-Jefferson County Consortium 368

Prepared statements, letters, supplemental materials, etc.:

Adams, Phillis, Head Start director, Estill, Clark, Madison, and Powell Counties, Richmond, Ky., prepared statement of 562
Adams, Dr. Richard N., superintendent, Upper Valley Joint Vocational School District, Piqua, Ohio, prepared statement of 525
Affeldt, Cordell, president, Indiana State Teachers Association:
  Fiscal 1981 Federal funds to Indiana for elementary-secondary education 488
  Impact of proposed budget cuts on Indiana public education 489
Alley, (Mrs.) Lofton H., president, Virginia Congress of Parents and Teachers, letter to Chairman Perkins, dated March 9, 1981 512
Baldwin, Donna, director, School Food Services, Carter County, Ky., prepared statement of 91

Prepared statements, letters, supplemental materials, etc.—Continued
- Barber, Raymond, superintendent of public instruction, State of Kentucky:
  - Page
  - Immediate and projected impact of Federal budget cuts on Kentucky's child nutrition programs 275
  - Immediate and projected impact of Federal budget cuts on vocational education in Kentucky 272
- Binion, Eugene S., superintendent, Elliott County Schools, prepared statement of 39
- Bishop, Edward S., Sr., chairperson, Mississippi State Advisory Council on Vocational Education, prepared statement of 557
- Bobo, Thomas, associate superintendent, Montgomery Public School System, Alabama:
  - Effects of presidential proposals on child nutrition program 427
  - Effects of proposed legislation on the cost of a school lunch for a paying student (table) 428
  - Resolution 431
- Chattin, Charles E., regional director, Vocational Education Region Ten, Ashland, Ky., prepared statement of 10
- Davis, Dennis E., assistant superintendent, Kanawha County Schools, Charleston, W. Va., attachment to statement 222
- Dickerson, Dr. Warner, assistant commissioner for vocational education, Tennessee State Department of Education, prepared statement of 558
- Dickinson, Ronald, chairperson, Iowa Educational Services Agencies:
  - Budget adjustments for 1981-82 463
  - Educational services proposed budget cuts 1981-82 472
  - Instructional services 469
  - Media services 474
  - Prepared statement of 460
  - Support services 466
- Dotson, James T., superintendent, Pike County Public Schools, Pike County, Ky., prepared statement of 33
- Gover, David, superintendent, Paris Independent Schools:
  - Anticipated loss of school lunch revenue (attachment No. 2) 387
  - Worksheet for impact of proposed Federal budget cuts on school food service programs (attachment No. 1) 386
- Grever, Elizabeth, health and nutrition coordinator, Community Coordinated Child Care:
  - Tier enrollment 406
  - 4-C board of directors position on proposed cuts in child care food program 408
- Haight, Harold, chairman, Regional Advisory Committee, Ashland State Vocational Technical School, prepared statement of 61
- Hale, Richard, manager, Tri-State Marketing Services, Inc., Ironton, Ohio, prepared statement of 68
- Hale, Leah, director, School Food Service program, Martin County, Ky., attachment to prepared statement 94
- Harmon, Ellis, business representative, Ironworkers Local No. 769, Ashland, Ky., prepared statement of 60
- Huffman, Harold, executive vice president and general manager, Bowling Green-Warren County Chamber of Commerce, Inc., and Bowling Green-Warren County Industrial Foundations, Inc., Bowling Green, Ky.:
  - "Kentucky Manufacturing Developments in 1971," publication 327
  - New and expanding industries announced in region IV 1979-80 (table) 326
  - Prepared statement of 318
  - New industries announced in Kentucky, preliminary 337
  - "Statement of Condition," 21-year comparative 325
  - "What 100 New Manufacturing Jobs Mean To a Kentucky Community," publication 322
- Hull, William E., superintendent of education service region, Gallatin-Hardin-Pope-Saline Counties, Harrisburg, Ill.:
  - Prepared statement of 543
  - 1981-82 will be tough year for school districts 547
- Jenkins, Peter, director of human resources, Hobart Bros. Co., Troy, Ohio, prepared statement of 531
- J[illegible], Harold, specialist in equal opportunity affairs, Ashland Oil, prepared statement of 52

Prepared statements, letters, supplemental materials, etc.—Continued

Page

Kocio, Juanita, director, School Food Services, Ashland Independent Schools, Ashland, Ky., prepared statement of 84

LeMaster, William, education director, United Auto Workers, Ohio:
  "—High School Labor Studies—," UAW, publication entitled 537
  Letter from John R. Hanson, staff, University of Maine at Orono, Orono, Maine, dated December 7, 1978 536

McClure, Nancy, vocational industrial training coordinator, Mississippi Delta Junior College District, Moorhead, Miss., prepared statement of.... 549

Marec, Ronald E., president, Ohio Federation of Teachers, AFT, AFL-CIO, prepared statement of 494

Martin, Josephine, director, local systems support division, Georgia Department of Education, Atlanta, Ga., prepared statement of 265

Mays, Thelma, school food service director, Fayette County Schools:
  Free lunches and participation, 1978-79, 1979-80, and 1980-81 (table). 379
  Paid and reduced meals (table) 380

Melton, James P., executive director, Kentucky School Boards Association, Frankfort, Ky., letter to Chairman Perkins, dated March 17, 1981 562

Mika, Walter J., Jr., president, Virginia Education Association:
  Federal programs and services which would be affected by proposed budget cuts (exhibit IV) 509
  Federal programs, 1980-81, Virginia (exhibit II) 505
  Prepared statement of 498
  Public Law 81-874 estimated section 3 impact aid payments under Reagan proposal for fiscal year 1982 as compared with the fiscal year 1981 appropriation under Public Law 96-536 (exhibit III) 507
  Statistical data on Virginia's public schools, 1979-80 school year (exhibit 1) 501

Morrison, Joseph A., assistant superintendent, Wood County school lunch program, Parkersburg, W. Va., prepared statement of 249

Napier, Charlie, Ashland Ky., Works, Eastern Steel Division, Armco, Inc., Ashland, Ky., prepared statement of 56

Napier, Mose, superintendent of schools, Wayne County, W. Va., prepared statement of 48

Osborne, David, president, Kenco Associates, Inc., Ashland, Ky., prepared statement of 65

Powell, Hazel, school food service director, Middlesboro Independent Schools, American School Food Service Association 1981 factsheet 395

Reliford, Paul, superintendent, Fairview Independent Schools, Westwood, Ky., attachments to prepared statement 101

Rose, Allen, personnel manager, Roll Forming Corp., Shelbyville, Ky., prepared statement of 314

Runkel, Dr. Phillip, Michigan State superintendent of instruction, attachments to prepared statement:
  Attachment A 115
  Attachment B 122
  Attachment C 123

Sears, Jack, principal, Hazel Green Elementary School, prepared statement of 561

Shill, Dr. James F., director, Research and Curriculum Unit for Vocational Education, Mississippi State University, Mississippi State, Miss., prepared statement of 553

Shoemaker, Byrl R., executive director, vocational and career education, Ohio State Department of Education, prepared statement with appendix 140

Short, Kathleen, school food service director, Jefferson County Schools, worksheet for impact of proposed Federal budget cuts on school food service programs 391

Skaggs, Bronelle, regional director, Big Sandy vocational education program, Paintsville, Ky., prepared statement of 14

Sorensen, James E., production superintendent, Hartzell Propeller, Inc., Piqua, Ohio, prepared statement of 530

Stanford, Diane, director, Ashland Child Development Center, attachment to statement 105

Stevens, Ishmael, supervisor of employment, Ashland Oil, prepared statement of 55

Prepared statements, letters, supplemental materials, etc.—Continued

Page

Taylor, Walter, Kentucky Electric Steel Co., Ashland, Ky., prepared statement of 63
Turner, Arthur H., superintendent, Cape Girardeau Public Schools, Cape Girardeau, Mo., prepared statement of 477
Underwood, Helen, director school food service, Bullitt County, Ky., prepared statement of 398
Vansant, John Dr., regional director, Vocational Region 9, Morehead, Ky., prepared statement of 17
Vencill, Ruby, School Food Service director, Rowan County Board of Education, Kentucky, attachment to prepared statement 89
Wade, Cathy, nutrition coordinator, Southern Kentucky Head Start program, letter to Chairman Perkins, dated March 24, 1981, with enclosure 262
Waldrop, Suzanne H., consumer and homemaking teacher, Barren County High School, Glasgow, Ky. and 1980-81 president of National Association of Vocational Home Economics Teachers, prepared statement of 297
Watson, Gene J., superintendent, Madison County School System, Huntsville, Ala., prepared statement of 433
Whitaker, Bobby Joe, superintendent of schools, Montgomery County, Ky, Montgomery County schools Federal programs, 1980-81 288
Yanni, Hon. Albert, member, House of Delegates of the State of West Virginia:
  Construction funds by fiscal year (table) 140
  Vocational education, State appropriations (table) 239
Zimmer, Steve, Louisville-Jefferson County Consortium, "A Budget That Tells the Poor To Work But Offers No Help," editorial 372

HEARINGS ON REAUTHORIZATION OF THE VOCATIONAL EDUCATION ACT OF 1963

Part 3: Vocational Education and Child Nutrition Programs

FRIDAY, MARCH 13, 1981

House of Representatives,
Subcommittee on Elementary, Secondary,
and Vocational Education,
Committee on Education and Labor,
Ashland, Ky.

The subcommittee met at 7:30 a.m. in Paul Blazer High School, Blazer Boulevard, Ashland, Ky., Hon. Carl D. Perkins (chairman of the subcommittee) presiding.

Members present: Representatives Perkins, Hawkins, Kildee, and Petri.

Staff present: John F. Jennings, Counsel; and Marian Wyman, special assistant to the chairman.

Chairman **Perkins**. The Subcommittee on Elementary, Secondary, and Vocational Education is conducting field hearings today on the reauthorization of the Vocational Education Act. In addition, we will be hearing oversight testimony on the child nutrition program and other education programs.

I am delighted to have this opportunity to be back in my home State. I can think of no better way to learn what is really happening with our vocational education and child nutrition programs at the local level. I believe that field hearings give us an opportunity to receive a true picture about these programs from people who may otherwise be unable to come to Washington for hearings.

As you may know, many of our education and nutrition programs appear to be slated for major cuts this year. For example, at the very time we are considering a reauthorization of the Vocational Education Act, at the same time our country is desperately in need of economic revitalization, the President is proposing a 25-percent cutback of vocational education programs. By the same token, the administration is asking for a 40-percent cut in child nutrition. In addition, the CETA programs and other education programs are targeted for deep cuts.

Many of us are concerned about the real impact of these cuts at the local level, and we hope the witnesses today can relate to us information about the effects of these proposals.

Since we are also contemplating legislation to extend and amend the Vocational Education Act, H.R. 66, we would be quite interested in the views of people concerned with these programs on how we might improve vocational education and training.

We have many witnesses scheduled this morning from Kentucky and a number of surrounding States. We have people representing many different areas—educators, business, industry, labor, school lunch directors, and others. We are looking to the witnesses today to provide meaningful input on a number of education and nutrition issues.

I would like to introduce the three members of our subcommittee accompanying me this morning, Congressman Gus Hawkins from California, Congressman Dale Kildee from Michigan, and Congressman Thomas Petri from Wisconsin. These members have been very active on our subcommittee and have made many contributions to education. I appreciate their coming to Kentucky with me and their interest in these programs.

Since we have such a long day ahead, I would encourage the witnesses to summarize their statements.

The first witness who will be testifying today is Mr. Harry P. Brown, who is the director of EKEDC—the Eastern Kentucky Educational Development Corp., located right here in Ashland, Ky.

We are delighted to have Mr. Brown appear before us today because he has been for quite some time closely involved with various education, vocational education, and manpower programs in this area.

EKEDC is a nonprofit State agency which uses the most modern computer technology to serve 34 eastern Kentucky school districts. The services EKEDC provides not only help school administrators with such key tasks as purchasing, bus routing, and pupil grading, but they also assist students directly by providing, for example, career information systems and computerized immunization records.

The source of a sizable portion of the funding for EKEDC activities is title IV-C of the Elementary and Secondary Education Act, the improvement in local educational practice program. I have been told by countless school administrators from the districts served by EKEDC that this program has saved many more dollars than it costs.

Before you testify, Mr. Brown, I want to tell you that I believe that you and your agency are performing the function Congress had in mind when it enacted title IV-C. The services you so efficiently provide have enabled many rural school districts, which have neither the sophistication nor the funds to computerize their operations, to concentrate more of their scarce dollars and staff time on their primary purpose: teaching our children. I also want to tell you that I intend to do everything within my power to see that effective programs like yours continue to receive sufficient funding.

Mr. Brown, as you know, this subcommittee is very concerned over the current administration's proposals to drastically cut Federal funding for education programs. We have asked you here today to testify primarily on what you anticipate the effects of the proposed cuts in title IV-C will be.

With that said, I want to welcome you and express the subcommittee's appreciation for the fact that you are placing your expertise at our disposal. Please proceed with your testimony.

STATEMENT OF HARRY P. BROWN, DIRECTOR, EASTERN KENTUCKY EDUCATIONAL DEVELOPMENT CORP., ASHLAND, KY.

Mr. Brown. Thank you, Mr. Chairman. Before I begin my testimony, I want to express my gratitude to you and the other members of the subcommittee for affording me the privilege to testify today.

In response to your request to elaborate on the 68-percent cut in title IV-C, I would like to recommend that if a reduction is indeed unavoidable, a more realistic cut conforming to the 25-percent cut recommended for most Federal programs should be considered.

Title IV-C—innovative education—funding has been referred to as seed money. But, in the EKEDC organization it is operational money.

Our 1980-81 budget was $567,257 and if the anticipated cut of 68 percent is approved, our loss of operational revenue will be $240,000 for 1981-82 fiscal year. This forces us to remove computer peripheral equipment, furlough five employees, and drop four programs, which reduces us to a level of minimum operational efficiency. With these cuts, we will operate during 1981-82 fiscal year with an anticipated $67,000 deficit. If we are unable to make up this anticipated deficit, we will have to phase out the EKEDC operation, effective September 30, 1982.

EKEDC serves 34 school districts with 150,000 student population. We have the largest computer opertion serving elementary and secondary education in Kentucky. These computer programs have saved school districts untold thousands of dollars in comparison to their title IV-C funding required to participate in the EKEDC consortium.

Each district in the consortium contracts with EKEDC for computerized pupil attendance, census, personnel data bank, collective purchasing and career information for their students for their share of title IV-C funds which amounts to $1.77 per student.

(*a*) Computerized pupil attendance saves the district the services of a director of pupil personnel, the need for only one clerical person and reduces the teachers' classroom time for attendance by eliminating her manual bookwork in keeping student attendance;

(*b*) Census on the computer eliminates one clerical person and more in larger districts;

(*c*) Personnel data bank allows the superintendent to receive a personnel report apprising him of upcoming people ready for tenure, retirement their certified fields, teaching out-of-fields information, majors and minors of his people when he needs a trained person in a special field because of retirement or removal of a teacher. It also gives him information needed for noncertified personnel as bus drivers, cafeteria workers and custodians;

(*d*) Collective purchasing handled by EKEDC saves the districts thousands of dollars by bidding collectively, rather than individually. Tom Dotson, superintendent of Pike County, saves $100,000 per year on insurance provided EKEDC through the Putnam Insurance Agency in Ashland, Ky., for his bus transportation. Pete Grigsby, superintendent of Floyd County, saves $40.00 per tire for his bus fleet through EKEDC on a bid submitted by Gene Jackson, Ashland, Ky.

(e) The career information system on our computer is used by students in the districts which provides them with a 500-word printout on occupations they are interested in knowing about. It also furnishes them with information of the schools that will train them for this occupation. It gives the cost of the tuition, room and board, number of students in attendance, majors and minors offered, qualifications needed, and other information.

Another program offered by EKEDC is computerized bus routing. One EKEDC district was saved $122,000 by the computer routing buses in the most efficient way. Six buses were eliminated with the same travel times being met. This is important due to high energy costs in the last 4 years.

Other programs offered by EKEDC are computerized scheduling of students, computerized grade reporting, computerized demographics, computerized finance and payroll systems and computerized immunization systems for recordkeeping of students receiving physical exams and innoculations. These records must be maintained by school districts prescribed by law.

EKEDC operated the first pilot YETP program for students in the CETA program in Kentucky. Our funding provided these students with teachers that trained them specifically for the world of work. We found that the students were more motivated in the classroom by receiving this training; and many of them upon graduation were retained by the employers who helped train them.

Another area of work for EKEDC is the coordination of three diagnostic centers serving 19 school districts in eastern Kentucky; Buffalo Trace, Big Sandy Diagnostic Center No. 1 in the Pike County area, Big Sandy Diagnostic Center No. 2 in the Johnson County area. We also coordinate a title IV–C handicapped proposal for three other districts in this area of special education.

In 1980, we received a national award for our demonstration project in computerized pupil attendance for sharing business experience through ASBO. In 1971, we received the presidential award for being the most innovative region in the 50 States under title III.

The size of our districts range greatly in student population. The smallest with 435 students; the superintendent has no staff so he relies on us to do his management work. This district is Augusta Independent. Other small districts are Robertson County, Fairview Independent, Holy Family, Berea and Walton-Verona. Our largest districts that rely on us for computerized management packages are Pike County and Floyd County. Pike County has 16,152 students. For timely management decisions for this size district, they must rely on the computer. Their land area is so mountainous that it takes one day to get to the extreme areas of the county and return to the office. They consequently need more people for an operation with such a large land area and computer printouts to maintain cost effectiveness.

We do not operate here at EKEDC as a bureaucracy. We do all this work with an average of 20 employees. Any excess funding in the past has been passed on to the local districts in additional free programs in order to reduce their costs of operations. We are chartered as nonprofit agency of State government. The superintendents serve as our board of directors. We have an interlocal agreement in the State of Kentucky.

I hope my testimony has helped to show you how cost effectively title IV–C money has been utilized by programs such as EKEDC. Remember, if this funding is reduced by 68 percent, such operations as EKEDC will fold September 30, 1982. The investment by the districts in EKEDC provides them with management and student programs collectively that they could not provide for themselves individually.

Thank you for allowing me to provide you with information which allows you to make good decisions.

Chairman **Perkins**. Mr. Brown, please talk about what impact a cutback is going to mean on some of the specific services you mentioned. For example, the critical service of bus routing. Will you have to cut out this service altogether?

Mr. **Brown**. But that would not be the most important service we could render. As an example, I have had three districts, we will say, that have done computerized bus routing. Sisson County, on the Tennessee border, had 38 buses. I was able to save them five, which represented a saving of $100,000, by eliminating those buses, which average $14,000 apiece, plus the driver, plus the fuel, plus the maintenance, plus the supplies for that particular bus.

This is a saving to the district, but it is not that comprehensive and highly utilized a service as some of the other services are. Bus routing I will probably have to cut out, even though it has been a great benefit, as I just mentioned. We have three districts that have participated in bus routing.

Boyd County is right now, the county here in this area in which this, Ashland District, resides within the area of Boyd County, has just finished their bus routing on the computer and we were getting ready to enter into a contract with Campbell County in northern Kentucky, which has 85 buses. We could save them probably 300 or $400,000.

But only having three districts, that is one service that I would possibly cut out.

Chairman **Perkins**. Then what you are saying is that you could survive on a cut of that nature, but not necessarily save many of your most important services.

Mr. **Brown**. I cannot save any money. I am already operating on a business stature. I have 23 employees. We have a $567,000 budget. I do not only accept funds from the Government, but I provide work to help sustain myself over and above that particular funding level. In other words, where I am receiving $200,000 in funding, I am also earning on the side, because of this capability, another $175,000.

So I am working just as a business would be working, trying to make more money over and above the funding that you all provide, at whatever level. Because I feel that I am using a business approach to this.

Chairman **Perkins**. You are already doing that.

Mr. **Brown**. I am already doing it. In other words, I receive funding, but I also provide services, because that funding made it available that I can have this computer.

Chairman **Perkins**. Well, the rationale for cuts being proposed is that there is a possibility of eliminating waste or increasing efficiency. I assume from what you have said that this is not necessarily so in your particular case, that you have already eliminated waste. You would really have to cut back on the actual programs and make things less efficient if these proposals go through.

Mr. **Brown**. We just recently have been fortunate enough to receive national recognition with the Kentucky School Association, and we received an award in New Orleans for the efficiency of our operation.

Thank you.

Chairman **Perkins**. Thank you very much.

You said your entire business was about $300,000 a year? What was your budget?

Mr. **Brown**. $567,000, and over $200,000 of it is Federal funding and over 100, the balance of it, is services that we earn ourselves through the educational institutions. In other words, we sell services to the school districts beside the funding that we receive on the Federal level, and we are able to return services for that Federal money.

So one-third of it would be money that we earn in general funding money from the educational institutions and two-thirds of it is title IV-C. The intention of the Elementary and Secondary Education Act was for us to receive money, but it has really turned into operational money for these services.

Chairman **Perkins**. So the 68 percent cut that you talk about in Federal funds, that would be about $135,000 in your case?

Mr. **Brown**. I would say that we would have to cut drastically into our operational money, which would not allow me to perform all these other services that we earn money with.

Chairman **Perkins**. What things would have to go by the boards, with a 20 percent cut.

Mr. **Brown**. I think that I would have to cut out the least utilized programs by the school districts. One area would be computer graphics, in which we are able to, on the computer, identify every stop and every house in the district, which allows them to better plan their bus routing and to better analyze their building programs.

I can cut that program because there is possibly only 12 districts involved in it, those people who are interested in cutting their transportation costs and those people who are planning on building in the near future and trying to identify by computer just where all the pods of people are. If they are in a concentrated area, then it is a better place for those schools to be built.

I can cut that service. I can cut the bus routing service.

I provide also a program called computerized purchasing. We go in and work with all the districts and give them free service through the title IV and bring them all together with their needs for tires and batteries and insurance and so on like that, and put it out on bid, where we get tremendous reductions because all 38 school districts are participating.

And we in turn are saving them money by providing that particular free service. I could cut it out.

I could cut out one other program, personnel data filing and the career information system which I provide to high school students, in which from the computer they can get a printout of job opportunities that they are interested in and also the training that is necessary to give them the occupational training.

Chairman PERKINS. We better go ahead, because we do not want to be running late.

Mr. HAWKINS. Just a brief question. What is your computer utilization now?

Mr. BROWN. We are working 2½ shifts, all but 4 hours.

Mr. HAWKINS. Would it be less utilized, then, with these cuts?

Mr. BROWN. I would be eliminating 5 months of work in my operation, with this 68 percent.

Mr. HAWKINS. So the efficiency of your computer would go down?

Mr. BROWN. It would be down more time.

Mr. HAWKINS. We would be decreasing the efficiency by that cut. Thank you.

That is all, Mr. Chairman.

Chairman PERKINS. Thank you very much. We will check into this and do the best we can.

Mr. BROWN. Thank you for listening, sir.

Chairman PERKINS. All right.

Our next witness is Mr. Charles Chattin, regional director of vocational region 10, Ashland, Ky. And we have with him Mr. Bronelle Skaggs, regional director of the Big Sandy vocational education programs, Mr. Jesse Conley, principal, May State Vocational-Technical School, Dr. John Vansant, regional director, vocational region 9, Morehead, Ky.

All you gentlemen come around and let me welcome all of you here this morning. And Charles, since we are in your home city, we will hear from you first today.

What we are more or less interested in, is the effect of the 25 percent cut that the Reagan administration is planning to put through. I would like to know whether that is consistent with the administration's program to revive the economy. You go ahead and make your presentation, analyze this situation the best you can.

Go right ahead.

STATEMENT OF CHARLES CHATTIN, REGIONAL DIRECTOR, VOCATIONAL REGION 10, ASHLAND, KY.

Mr. CHATTIN. Thank you very much, Congressman. And I do appreciate having the opportunity to be here today.

Chairman PERKINS. Talk right into that microphone, so everybody can hear.

Mr. CHATTIN. Now everyone can hear, can you not?

The first thing I would like to do is go back over the period of time as far as the past 25 years that I have spent in vocational education. I have seen the economy go up and I have seen the economy go down. I have seen some bad times before.

And I feel like to revive any economy we must train our people. This was proven clear back in the 1950's. To revive any economy, you must have trained people.

We have spent many years of working with business, industry and labor in this particular region, and most of my remarks will be confined within this region.

I am the regional director of vocational education serving five counties in this immediate area. We have four extension centers. We have a school, the Ashland State Vocational-Technical School.

And I would like to just start out by giving you a little bit of what we have at the present time, what we, the number of people that we are serving, and then I can tell you some of the problems, real problems.

This particular year the cumulative enrollment at the Ashland State Vocational School at the present time is 1910 people. This is postsecondary primarily. We carry a heavy load of the adults, people that are ready to enter the labor market. We have secondary students, 244. On the evening programs, upgrade training, adult evening extension apprenticeship programs, we have 800 people.

In the CETA program this year we have served 141 people. Throughout our region in our centers, in Carter County, Greenup County, Boyd County, and Lawrence, at the present time we have 1,239 people.

With this number of people, the school which was built at the Ashland State Vocational School in 1968, at a cost of $1.7 million, approximately 96,000 square feet, we are offering 15 different programs in a preparatory situation. Now, looking at the figures at the present time, we are talking about even a waiting list of people before this economy is set back heavier than what it has already been cut back.

Chairman **Perkins**. What is your waiting list?

Mr. **Chattin**. Our waiting list at the present time is 1660 people wanting in school, that are adults, that are people that have not been trained, that are begging to get in, and we have not been able to serve them.

Our evening extension upgrade, which is apprenticeship, people already employed in many cases in industry wanting to upgrade their skills, we have 687 people waiting to get in. This means that we are in a situation where we tell people that it will be 2 years to get into school. Many times we do not know. It is just a matter of them getting on a waiting list and waiting their turn.

And I think the number of days: We are operating schools in this area from 8 o'clock in the morning until 10:30 at night. So I do not think there is any question but what we are not getting 100 percent out of what we are trying to do.

At the same time we operate something like 100 to 150 people on Saturday, for 6 hours on Saturday. So I feel like the people are putting in the effort to serve as many people as we possibly can in this region.

If we continue to run into the problems of lack of facilities and lack of equipment and lack of teachers, anything that pertains to the dollar as far as training people, we are always exhausted at a certain period of the year, which is the present time. This month we will exhaust all the evening money, all apprenticeship training money. And from this point on we will be shifting, begging, whatever possible to try to get additional funds into our budget to continue with our programs.

Our placement record in this region has been roughly anywhere from 79 to 88 percent during the years 1976 through 1978, through all of the studies and surveys which are mandated by the Federal Government and by the Veterans' Administration and by the Southern Association of Accreditation. These documents are on file. They are accurate. It does show that the school is working with industry, business and labor, and placing up to 88.3 percent.

Again, in talking about a return, no one questions with Congress or with the President's views on cutbacks. We know that some are needed. But at the same time, to take programs in vocational education which are training people for a gainful occupation and placing them on jobs, then becoming taxpayers and in return costing the Federal Government and the State government not one dime.

I think that I would like to disagree with one of the statements here on a survey run during September and October 1980. The students involved the graduates of 17 VA-approved programs from July 1, 1978 through June 30, 1980. Number graduating, 327 people. The number surveyed, 327. The number responding, 268. Percent responding was 81.95 percent.

The number of respondents in training-related jobs was 214 of the 268 responding. The percent of respondents in training-related jobs averaged out 79.85 percent. According to the students in this survey, the annual wages reported by graduates was $2,466,476.

You are talking about in a 2-year period we have put people that are paying taxes on this kind of money in a building that was built for a cost of $1,710,000. I think anyone that understands economics can realize right quickly that for what money is being put into vocational education they are getting tenfold back out of it.

We feel that in this particular region we have proven without any question to the State of Kentucky there is a dire need for an expansion program of $3,500,000. We are at the present time number three on the priority list, very hopeful that this will come to reality, regardless of how the economy is, how the cutbacks in State government is, or how the cutbacks in the Federal might be.

But at the same time, if we get the additions to the buildings and include things in which industry and labor is placing the demand on us today, and that is for diesel mechanics, for instrumentation people, and for an increase in tool and die making and crafts of this nature, then again, with the building programs, comes additional costs of teachers, of supportive staff people, of equipment.

And at the present time I would say, instead of cutting the budget, this region alone would need in excess of $5 million to just take care of what is a demand from business, industry, and labor. And I feel that if we do not, then we are not going to spur the economy, we are not going to have a recovery, because in all my years, I can recall many times in 1973 and 1974, even if you wanted to go out of this area and help with the defense of this country, we are called for anywhere from 700 to 1,000 people at one time in the shipbuilding, in Newport News Shipbuilding and Drydocks, in Pascagoula, Miss., in Florida, and all over the United States.

But I am still saying that industry, to provide industry. They are going to be looking for trained people. They are not going to be just taking people because they are cut off of jobs and they are walking the streets and you think that they are going to pick them up. If we are going to have productivity, then we are going to be training people and we are going to be turning out competent people for our business, industry, and labor.

Now, through these statements that I have made, we realize the State plays a part, we realize the Federal Government. But you must also realize in this area that industry, business, and labor I feel plays their part also.

Each year our industries and our labor organizations will contribute to vocational education in excess of $90,000 a year, helping to supplement salaries which are inadequate, helping to buy equipment in which other people will not support or cannot support at the time, and helping with supplies.

So I feel like they are cooperating. I feel that the Federal Government, the State government, and business, industry, and labor will cooperate and where it is needed put money into programs that can train people for gainful occupations.

I would like to open it up for any questions.

[Prepared statement of Charles Chattin follows:]

PREPARED STATEMENT OF CHARLES E. CHATTIN, REGIONAL DIRECTOR, VOCATIONAL EDUCATION REGION 10, ASHLAND, KY.

Vocational education region 10 is composed of 5 eastern Kentucky counties located in the Seventh Congressional District of Kentucky. The five counties are: Boyd, Carter, Elliott, Greenup, and Lawrence.

It is the philosophy of the administration and faculty of vocational education region 10 that people make the greatest contribution to their own well-being and to society through useful and rewarding work; and that an individual's opportunity to perform useful and rewarding work depends largely upon his or her preparation for work.

We believe each person is entitled to work preparation through education and training in line with his or her interest, ability and needs; and that preparation should include the development of attitudes, skills, and knowledge sufficient for that person to obtain and hold a job, and/or advance on a job in his or her chosen work.

We further believe that well trained people are necessary if we are to attain the goals of improved productivity, economic development and recovery, and prosperity that have been established at both the State and national levels.

In keeping with our philosophy, as stated above, we repectfully submit the following:

(1) Vocational education region 10 maintains close ties with business, industry, labor, and the community through a system or active advisory committees. At the school level, each instructional program has a craft advisory committee composed of people employed in that particular trade. Suggestions and recommendations from these committees are forwarded to appropriate school personnel and to the Regional Advisory Committee. The Regional Advisory Committee currently has 34 members representing business, industry, labor, and the community in accordance with applicable laws and regulations. The Regional Advisory Committee works closely with, and provides input to, the State Advisory Council for Vocational Education.

(2) Training for employment is a good investment for the individual and for society.

The following information, taken from a survey of graduates of long-term adult programs in the Ashland State Vocational-Technical School during the period of July 1, 1978, through June 30, 1980, will serve to illustrate this point. The survey is required by Public Law 93-508 and its amendments and implementing regulations. Documentation is on file in the school.

September-October 1980 survey

Number graduating	327
Number surveyed	327

Number responding	268
Percent responding	81.95
Number of respondents in training related jobs	214
Percent of respondents in training related jobs	79.85
Annual wages reported by graduates (40 hour week)	$2,466,476

NOTE.—Students included graduates of 17 VA approved programs July 1, 1978, through June 30, 1980.

In comparison, the construction cost of the Ashland State Vocational-Technical School (1967) was $1,710,000.00.

The percentage in training related employment was down from 88.3 percent during the 2 years 1976–78 due to the current economic slump.

(3) We feel that improvements can be made at the federal level. We respectfully suggest the following:

(a) More pooling and sharing of information between Federal departments. Example: The employment survey of graduates cited above duplicates, for graduates, surveys required by the Vocational Education Act of 1963, as amended, which requires followup of completers and leavers.

(b) We feel that some of the regulations governing the many categories of funding should be related to provide greater flexibility in the use of funds to prepare people for employment. Example: The regulations and reports now governing funding for disadvantaged, handicapped, minorities, energy, etc.

(c) In view of the close relationship between trained people, economic development, and prosperity, we respectfully suggest that funding for vocational education should be increased not reduced. However, we also recognize the necessity and desirability of balanced budgets at all levels. Therefore, in the event that reductions in funding for vocational education become inevitable, we suggest that it be done in a systematic, orderly manner. We further suggest that the following priorities for funding be established (highest to lowest): (1) Programs that provide training for immediate entry into the work force; (2) programs that are needed by people in the work force to improve or increase productivity; (3) programs dealing with public safety; (4) programs of exploration and orientation that initially prepare people for further education; and (5) all other programs.

(d) If the block grant concept of funding that is currently being considered at the Federal level is implemented, we strongly suggest that vocational education funds, provided to the States, be designated for vocational education.

(e) Due to reductions in construction, equipment, and personnel already implemented in Kentucky, we feel that any further reductions in funding will result in curtailment or elimination of programs and services.

(4) At the regional and local levels, we respectfully submit the following:

(a) Business and industrial expansion in the local area now in progress, announced, and in various stages of planning will require large numbers of trained people during the 1980's.

(b) Planned increases in defense spending by the Federal Government will create additional demands for trained people.

(c) Demand for upgrade and apprenticeship training by business, industry, labor, and individuals is expected to increase as efforts are made to improve productivity.

(d) Currently, all programs in the region are operating at capacity. The region cannot meet the demands for training due to inadequate facilities.

(e) At this time, there are 1697 people on waiting lists for long-term adult preparatory programs at the Ashland State Vocational-Technical School. There are 687 people on waiting lists for upgrade and apprenticeship training in region 10. These waiting lists are due to inadequate facilities for training.

(f) The following steps are being taken to provide additional training opportunities in the region: (1) A diesel mechanics shop is being added to the Boyd County Vocational Education Center to serve secondary students. Construction funds are being provided by the local board, with $50,000 for equipment through the Appalachian Regional Commission. (2) A proposal has been submitted for a vocational education department in Elliott County High School to serve secondary students. Property and the local share or funding are available. The State share of funding is frozen at this time. (3) An expansion/renovation proposal in the Ashland State Vocational-Technical School has been submitted to the Bureau of Vocational Education. The project has been assigned priority 3 on the State priority list for funding. Again, funding for construction is frozen. At current prices, approximately $3.5 million is needed for this project. Additional funds for personnel and operating cost would be required. Documentation of the need for, and public support of, these proposals is on file in the school. The project would provide space for training in heavy equipment maintenance, industrial instrumentation, and would expand the

present auto mechanics, auto body, machine shop, and tool and die making programs. It would also provide additional space for apprenticeship and upgrade training. (4) The regional budget for 1980–81 was approximately $3.1 million. The request for a continuation budget for 1981–82 is $3.4 million, an increase of $300,000 with no new programs or services. (5) Another serious problem on the horizon is the lack of funding for replacement equipment. If the current situation continues for an extended period, the quality of programs will be adversely effected.

(5) Business, industry, and labor in the area have been very generous in supporting vocational education. Their support, which includes materials, equipment, supplies, salary supplements, and support for the scholarship foundation at Ashland State Vocational-Technical School totals more than $90,000 per year. A strong cooperative education program is in progress with local business and industry providing training stations for vocational students. Between 1977 and 1980, 265 long-term adult students have participated in the program, with 187 (70.5 percent) of them being employed permanently upon graduation from the vocational school.

(6) We believe that through the cooperation of Federal, State, and local governments with education, business, industry, and labor the goals of economic recovery, progress, and prosperity will be attained.

Chairman Perkins. Mr. Chattin, considering your backlog of adults and students on your waiting list, and considering the need for new equipment and the fact that the State of Kentucky has made a cutback, how will you be affected if the Reagan proposal of a 25-percent cutback goes into effect?

Mr. Chattin. We will be affected in this area at the present time with any, whether it is cutbacks in the Federal Government or it is cutbacks in the State government. We are at a bare minimum at the present time. This past year we had a reorganization of State funding. At that time there were many secretaries and many custodians and watchmen, the supportive staff, there was a 5-percent reduction in it, in which this region lost 12 people at that particular time.

Now, today if we have a cut, whether it comes from the State or the Federal Government, we might as well face it we are going to actually cut programs. I see no other way to come up with it, whether it is $20,000 or $40,000 or $100,000, than to cut programs out.

If we go with the 25 percent and we have a cutback in State funds, I am saying we are talking about probably $200,000 in our budget which we are proposing for this coming year. This past year's budget was $3.1 million. This continuation budget with no new programs, with no equipment, is $3.4 million this year being put in at the present time.

Now, if you take a cutback of $200,000 or $250,000, then there is nothing except cutting programs out where there are still people on the waiting list begging to get in. And I do not know who could pick this up. This is the way it appears to me.

Chairman Perkins. As regards reviving the economy, from your experience here in Boyd and surrounding counties, would these small and medium-sized companies have the wherewithal to train their own people if vocational schools do not have the facilities and manpower to do the training?

Mr. Chattin. The majority of the companies, some could and do train. It is unbelievable the amount of training that goes on in industry continuously. They may have a certain part of it and a certain part they relate to the vocational education programs as more conducive to do it this way.

You do have labor and industry involved in certain problems. You have labor saying one thing and you may have industry saying the other. So many times it is better to take neutral grounds to do your training. I think that is the reason that we may have 13 apprenticeship programs at the present time, in conjunction with business, industry, and labor in this area.

It works out better. A better training job can be done out of the plant. And even though the plants are very willing to put their part into it, they have been supplementing and helping, I think, to the extent that it is their part.

Maybe we will have to go and relate more, and I am sure that the companies themselves and the labor organizations themselves are not going to let us down. I have that feeling, regardless of what it takes.

Chairman **Perkins**. I have one more question. You have indirectly covered it. But do you believe that the States and the local school districts will pick up any of these programs that will be dropped, assuming that the administration's proposal was to go through, the 25-percent cut? Or do you believe that these programs will just have to be dropped?

Mr. **Chattin**. I think that they will be dropped, because I think everyone is under the same restrictions and pressures at the present time. They do not have the funds to do it. And I do not think it is the fact that they would not do it if they had it. But since they do not have, I think they are looking at the same thing, that everybody should be pulling together in this country today, whether it is on the Federal level, the State level, or local level, to try to get a job done.

I think this is where some people are backing off and saying, we cannot afford it. But I think that when you prove that it is not costing, I hate to say this but it is true. You have a revolving fund and if you have $40,000 and you make $60,000, that is a good revolving fund. And I feel like vocational education is exactly like the revolving fund, that you may put up the initial cost, but that cost is turned back to the Federal gentleman tenfold.

Chairman **Perkins**. Mr. Petri.

Mr. **Petri**. Just one question. How much of the $3.4 million budget that you are going to have for this year or next year comes from Federal funds?

Mr. **Chattin**. I am not sure exactly now what the percentage of funding from the Federal Government is, whether it is around 10 or 15 percent in the States. I know over 30 years it has been reduced, and at the present time I have no figures, because this is only the State level of supporting the budget through the Federal funding and also Federal funding and our receipts.

Mr. **Petri**. But you say some of this money that comes to you through the State is probably Federal funds?

Mr. **Chattin**. Oh, there always has to be a certain amount of Federal funding involved in the State funds.

Chairman **Perkins**. Mr. Hawkins.

Mr. **Hawkins**. Mr. Chattin, just one question. Assuming that President Reagan does win his 25-percent cut, you said you have 13 apprenticeship programs?

Mr. **Chattin**. Right.

Mr. **Hawkins**. Would you have to drop some of those programs or drop the number served in the apprenticeship programs?

Mr. CHATTIN. In the apprenticeship programs there will probably be none of them dropped, because again that is an area in which labor and industry would pick up regardless. But when you are talking about 13 programs you may be talking about 115, 120 people. It is just one small part of the overall programs that are being conducted at the Ashland State School.

We are talking about postsecondary, the high school, the evening extension upgrade programs that are taking laborers and making welders out of them, people that can upgrade their own skills. That is the bulk of the program.

But industry would support these other programs.

Mr. HAWKINS. But these, what you call the bulk of your programs, that is where your cuts would have to take place?

Mr. CHATTIN. That is where the cuts would have to be, right.

Mr. HAWKINS. You would be serving fewer people?

Mr. CHATTIN. Right.

Mr. HAWKINS. Thank you, Mr. Chairman.

Chairman PERKINS. Bronelle, Mr. Skaggs, identify yourself and go ahead.

[The prepared statement of Bronelle Skaggs follows:]

PREPARED STATEMENT OF BRONELLE SKAGGS, REGIONAL DIRECTOR, BIG SANDY VOCATIONAL EDUCATION PROGRAM, PAINTSVILLE, KY.

Congressman Perkins, fellow educators, guests and ladies and gentlemen. There are three decisions in life that everyone must make that will determine to a large degree the contribution that they will make to themselves, their family and to society. These three decisions are their spiritual relationship, their family relationship and their chosen vocation as it relates to our working life. In my opinion, none of these decisions can be made lightly and all will require careful analysis, planning, work and dedication. The area that I want to attempt to bring into proper perspective this morning is the decision regarding our vocation.

To help our youth and adults make a vocational decision, to train for that vocation and to successfully enter the world of work and the economic system of the United States, Congress became aware many years ago when they passed the Smith-Hughes Act in 1917, the Vocational Act of 1963 and the 1968 and 1976 Educational Amendments to that Act that federal support was essential to the development of this system. This decision by Congress set in motion an educational philosophy and funding that nurtured the development of one of the most dynamic educational programs any nation has ever known. The vocational program trained electricians for our mines, welders for our shipyards, carpenters to build our homes, farmers to provide our food, office workers to process data, nurses to care for us when we are sick and many others. Along with skill training, vocational education with a national thrust implemented the Future Farmers of America—not Afghanistan—the Future Homemakers of America, Future Business Leaders of America, Vocational Industrial Clubs of America and others. The impact of these organizations has been tremendous. Timid, backward students have been transformed into community, state and national leaders as a result of the skill training coupled with the student organization which provided the show window for the vocational students and programs. These student organizations have been successful because they provide training in citizenship, parliamentary procedure, leadership, cooperation, patriotism and concern for others. Perhaps at no time in our history have we needed these attributes taught more than today. Without federal funding and direction these valuable vocational organizations may revert back to state organizations and lose their national thrust which must be maintained and fostered. Our young people especially need something to attach themselves to, something to be a part of, something to motivate them for good. This motivation for thousands and thousands of young people has been derived from the Future Business Leaders of Ameican, Vocational Industrial Clubs of America and others. It is my belief that these organizations must be sustained at all cost.

At this moment we are approaching decision time. Will federal legislation for vocational education be reauthorized and at what level with federal funding be maintained and what group of people should be served. It is my opinion that distribution of funds in the same manner as that outlined in the 1976 Educational

Amendments is sound and should be continued. It is important that special groups are recognized and that Home Economics receives strong support. Our homes may well determine the future of this nation. it is my opinion that a minimum of two billion dollars annually should be authorized and budgeted for vocational education annually between now and 1985.

I did not make a decision to be born in Appalachia; however, I have lived and worked in the Big Sandy Region all my life. We serve a five county region of Pike, Floyd, Johnson, Martin and Magoffin. One hundred eighty thousand people live and work in this region. Fifteen years ago the situation looked hopeless. Today the sun is beginning to shine in the mountains of eastern Kentucky. No longer do our young people have to out-migrate for employment. Factories are beginning to be built, coal is being mined, services being improved and the feeling of hopelessness is disappearing. Why? One main reason is because Mayo State Vocational Technical School, five area centers, nineteen high schools, seven school districts, one community college and one four-year college have provided the educational opportunities essential for success and our people have responded well. There must be no compromise because vocational education makes a difference.

Today over seven thousand people are enrolled in some type vocational training program in our region. At the Mayo School in Paintsville over six hundred people are on the waiting list that we cannot serve due to a lack of funding. This list is not as long as in former years yet any list is too long. Our placement figures indicate that even in this period of economic slowdown students who apply themselves and become competent in their vocation are finding employment.

If federal funding is drastically reduced and with state funds for education already dwindling, then some local decisions will have to be made. Regretfully, some of these decisions will have to be to reduce staff and close programs. This is a frightening decision to close the door of opportunity on those who want and can benefit from training in vocational education and leadership skills that we so desperately need.

Congressman Perkins, it is my hope that vocational education can live on to provide for the welfare of our people, to encourage economic development to help supply energy for our nation and to provide the skilled workers to produce the defense items needed for our security and to develop leadership skills to direct our people.

I know what your decision will be and I hope other members of Congress will join you in an effort to sustain and improve vocational education for the good of all.

Thank you for the opportunity to make this presentation this morning. I consider it an honor to be asked to come to this hearing. I invite you and members of your staff to visit our vocational programs and schools at any time.

STATEMENT OF BRONELLE SKAGGS, REGIONAL DIRECTOR, BIG SANDY VOCATIONAL EDUCATION PROGRAMS, PAINTSVILLE, KY.

Mr. SKAGGS. Thank you, Congressman Perkins.

I am Bronelle Skaggs, regional director of vocational education from Paintsville, Ky. We work in a five-county area, Pike, Floyd, Johnson, Martin, and Knott Counties.

I consider it an honor to be asked to come here.

Chairman PERKINS. Let me interrupt you. These schools are 60 miles apart and they serve several surrounding counties.

Go ahead.

Mr. SKAGGS. And I want to share with you this morning some thoughts about decisions that make a difference. Every person in life must make two or three decisions that are extremely important. There are spiritual decisions that have to be made, decisions about the family, and decisions about one's vocation. Now, these are critical to the success of every individual and in my opinion cannot be taken lightly.

One area that I want to hone in on this morning is the decision of the vocation that one will follow. And to help our youth to make these vocational decisions, to successfully enter the world of work, to successfully enter the economic system of the United States, Congress became aware many years ago when they passed the Smith-Hughes Act in 1917, the Vocational Act of 1963 and the 1968 and 1976 educational amendments to that act that Federal support was essential to the development of this system.

This decision by Congress set in motion an educational philosophy and funding that nurtured the development of one of the most dynamic educational programs any nation has ever known. We have trained electricians for our mines, we have trained welders for the shipyards, we trained carpenters to build our homes, farmers to produce the food, officeworkers to process the data.

And knowledge is doubling every 8 to 10 years, and I read recently that it would take 1 trillion secretaries to do the work that is now being done by computers, electric typewriters and so forth.

Nurses to care for us when we are sick, and many others. And along with this skill training, vocational education did another thing that I think is extremely important. They implemented the Future Farmers of America, not of Afghanistan but of America. The Future Homemakers of America is a part of these programs, the Future Business Leaders of America, the Vocational Industrial Clubs of America.

Through these organizations, timid, backward students have been transformed into leaders all across this Nation. These student organizations teach citizenship, parliamentary procedure, cooperation, leadership, patriotism, and others. And perhaps at no time in our history do we need leadership training more than today. Our young people need something to attach themselves to, something to be involved with, something to motivate them for good.

These vocational student organizations have done this and I believe can continue to do it.

At this moment we are approaching a decision: Will Federal legislation for vocational education be reauthorized and at what level of Federal funding must we have, and how will that funding be distributed?

It is important that special groups be recognized. It seems to me that home economics must receive strong support, because our homes may very well determine the very destiny of this Nation.

It is my opinion that a minimum of $2 billion annually should be authorized for vocational education between now and 1985.

I was born in Appalachia, in the area where I live, and I have lived and worked in the Big Sandy region all my life. There are 180,000 people who live and work in this region. 15 years ago the situation, as Congressman Perkins has shared with you on many occasions, I am sure, looked hopeless almost. Today the sun is beginning to shine in the mountains of eastern Kentucky. No longer do our young people have to outmigrate.

And there have been many of our people gone to Michigan to work because there was no work at home. Factories are beginning to be built, coal is being mined, services are improved, and the feeling of hopelessness has disappeared.

I think one main reason is because of the Mayo State Vocational Technical School in Paintsville, Ky., that started in October 1938. Thousands and thousands of people have been to training at that school. We have five area centers that serve high school students.

There are 19 high schools in our region, seven school districts, one community college, and one 4-year college.

Our people have taken advantage of these opportunities and they must be allowed to continue.

Currently at Mayo State Vocational School in Paintsville, over 600 people are on the waiting list. This year we started the year with approximately 900 students, which is the highest enrollment in the history of the school. This waiting list is down some from previous years. We have been able to train more people.

But even with the economy in the situation that it is currently, we are finding that 80 to 90 percent of those people, and in some cases higher, of those who come and apply themselves and complete the programs, are being placed in jobs.

It is a frightening decision to close the door of opportunity to those who want education, who deserve it and who need it. Mr. Perkins, it seems to me that to cut vocational education in this time of economic downswing would be a serious mistake and the very opposite needs to be done, as my colleague Mr. Chattin has said.

Thank you for this opportunity, and I will share with you any information I have.

Chairman **Perkins**. All right. In order to expedite the hearings, we will hold the questions for a couple of minutes and we will call on our next witness.

Mr. Jesse Conley is not here, is he, Mr. Skaggs?

Mr. **Skaggs**. He could not come. He is ill.

Chairman **Perkins**. He is ill? Well, give him my good wishes. Dr. John Vansant, regional director, Morehead.

[The prepared statement of Dr. John Vansant follows:]

PREPARED STATEMENT OF DR. JOHN VANSANT, REGIONAL DIRECTOR, VOCATIONAL REGION 9, MOREHEAD, KY.

INTRODUCTION

I would like to present my testimony in three parts. First, I will present Vocational Education as a viable educational delivery system. Secondly, I will propose a measure of instruction for vocational programs. Thirdly, I will talk about Vocational Education in Region Nine, the service area for which I have responsibility as the chief administrator.

VOCATIONAL EDUCATION—A VIABLE EDUCATIONAL DELIVERY SYSTEM

Vocational Education, as a dominant educational delivery system, is a "standout" in providing competencies students need to relate to the real world of work. Vocational programs are designed to teach students occupational competencies necessary to provide needed services or produce a product utilizing the most up-to-date technological methods. Productivity of vocational students is paramount in their vocational programs and their ultimate performance on the job. This attitude of productivity in Vocational Education is unique in an educational delivery system so broad in scope, but it is genuine due to inherent facets of the system. Providing a trained labor force to fully utilize our resource potential is the mission of Vocational Education. Improved productivity of the labor force is vital to the "amending" of our socio-economic system.

Vocational Education, at secondary and adult levels, provides training in competencies and instruction in knowledge and information related to competencies within an occupation. Theory and practice are related intentionally during the teaching-learning process.

Vocational Education programs are taught by vocational teachers knowledgeable in the occupation they are teaching. These teachers have, characteristically, practiced within the occupation in addition to completion of formal preparation for teaching within the occupational area.

Full-time Vocational Education programs provide, typically, 30 hours of instruction per week during the time needed to provide training for the occupation; this may vary from a few weeks up to two years. Closures in vocational programs occur only on holidays and/or long periods of instruction to allow teachers vacation time. Vocational teachers usually work an eight-hours day and may assign students additional work outside the school setting. Cooperative Education for students carries competencies learned in the classroom into the work place on a full-time basis during this work experience.

Vocational Education programs relate directly to the occupations through (a) task analysis; (b) competency based individualized instruction; (c) advisory committee evaluation and input; and (d) program review to insure accountability.

Vocational Education programs are conducted in classroom, laboratories, shops, and on work sites utilizing facilities and equipment that are up to business and industry standards. Also, vocational programs are provided adequate consummable supplies to allow for supervised practices by students.

Vocational Education students are monitored by a placement and follow-up system after they exit from vocational programs. Their placement and satisfactory performance in the occupation for which they are trained is an important evaluative tool that evidences accountability.

Vocational Education, as an educational delivery system, has been recognized through legislation as necessary to provide education and training for students not adequately served by general education at the secondary level nor by higher education at the post-secondary level.

Vocational Education, which emphasizes teaching of theory and practice, qualified teachers, providing a full-time instructional program, constant evaluation, providing up-to-date facilities and equipment, and documented accountability, is dedicated as a delivery system to fulfilling the educational goal of an economic producer. This economic producer is becoming more important if we are to "work smarter" and provide for the individual the opportunity to enhance his/her self-image, become a worthy family member, and assume his/her civic responsibility. In essence, Vocational Education, through its delivery system, can provide the productive citizen needed to turn our socio-economic system around and help order our chaotic inflationary-recessional paradox.

VOCATIONAL UNIT—A MEASURE OF INSTRUCTION

Institutions (state vocational-technical schools and area vocational education centers in Kentucky) providing vocational programs for students at the secondary and adult levels, typically, report progress of students by competencies learned and/or clock hours completed. The purpose of this article is to recommend for consideration the vocational unit as a measure of instruction for vocational programs. The author, in discussing this concept with vocational educators, has found broad consensus for the concept.

If Vocational Education is to take its rightful place as one of the dominant educational delivery systems along with secondary education and higher education, a unit to measure instruction must be established. The vocational unit for Vocational Education can be analogous with the *Carnegie Unit* for secondary education and the semester hour for higher education.

The following nine points are presented in support of the vocational unit and three recommendations follow to implement the vocational unit as the common denominator for measuring vocational programs and providing articulation with secondary and higher education delivery systems.

(1) Vocational Education is a relatively new educational delivery system. Its historical base is much more recent than the secondary school and higher education.

(2) Vocational Education institutions typically grant certificates and/or diplomas for programs completed based upon clock hours or competencies learned.

(3) Vocational Education typically recommends to secondary schools clock hours of instruction and/or competencies accomplished which they equate into Carnegie credits and to higher education clock hours of instruction and/or competencies accomplished which they equate into semester hours.

(4) Vocational Education has no common denominator to equate clock hours into Carnegie credits in the secondary school or semester hours in the higher education institution sense.

(5) Vocational Education, as far as I know, does not grant either Carnegie credits or semester hours for work completed but has functioned in the role of a recommending institution only.

(6) Vocational Education needs a unit of measure (equivalency) to translate clock hours and/or competencies learned into a form of equivalent credit. This unit needs

to be easily equated with Carnegie credits in the secondary setting and semester hours in the higher education setting.

(7) Vocational Education could establish a unit of measure, a vocational unit. This unit, could or should, represent 30 hours of satisfactory vocational training completed.

(8) A Carnegie credit is based upon one hour per day of satisfactory learning completed for 175 days, less excused absenses, etc.

(9) A semester hour is based upon one hour of satisfactory instruction completed per week for 15 weeks, less excused absenses, etc.

Recommendations

(1) One vocational unit be granted for 30 hours of satisfactory vocational training completed or its equivalent; (2) one vocational unit be equated to 0.2 Carnegie credits with consent of a diploma granting secondary school; and (3) one vocational unit be equated to one semester hour with consent of a diploma granting higher education institution.*

NOTE.—Vocational competencies can be equated to clock hours, thence to vocational units to enhance ease of transfer to secondary schools and institutions of higher education.

WE NEED VOCATIONAL EDUCATION PROGRAMS

Vocational Education Region Nine is made up of ten counties, the Gateway Area Development District (Bath, Menifee, Montgomery, Morgan, and Rowan) and the Buffalo Trace Area Development District (Bracken, Fleming, Lewis, Mason, and Robertson). Region Nine is the "Heartland of Northeast Kentucky."

Region Nine is the most sparsely-settled area in Kentucky, with 38 persons per square mile.

The region is belted by I-64, Route 32 and 11, north and south; Route 68 on the northern border; and Route 460 on the southern border. Rail and river transportation is also available.

There is an abundance of water with the Cave Run Lake, the Licking River, and the Ohio River along the northern boundary from Lewis to Mason to Bracken counties.

There is an abundance of energy with shale deposits (Lewis, Fleming, and Rowan counties). We are near coal, natural gas, and petroleum to the south. Power plants are in abundance along the Ohio River.

Other resources include timber, limestone, clay, and an abundance of agricultural products.

We have approximately 112,000 people within the region. There are approximately 42,000 in the work force, with 17,000 in sales and service, 9,000 in manufacturing, 7,000 in government, 6,000 in agriculture, and 3,000 commuting out of the region.

The education level is between 8th and 9th grade; only 58 percent of persons over 25 years of age have completed 8th grade.

The high school completion rate is 64.2 percent; the dropout rate is 35.8 percent (1978)

There are 34.5 percent of the high school graduates attending college. The dropout rate in colleges runs approximately 50 percent. Four percent of the high school graduates attend post-secondary vocational programs.

A recent study indicates that approximately one-fourth of applicants for jobs at employment services have had some vocational training.

Of the 1978 high school graduates, 1,677 are available to enroll in post-secondary programs in Vocational Education. This doesn't count a vast number who have been by-passed in years past who need training.

Vocational Education programs for secondary students are located in local high schools and area vocational education centers during the regular school day. Adult long term vocational programs are housed for the most part during late afternoon and evening hours. Four area vocational education centers located at Maysville, Mt. Sterling, Morehead, and West Liberty are double-shifted from 8 a.m. until 11 p.m. to provide opportunities for both secondary and adult long term students. Also, 11 HUD mobile units are utilized for classrooms, laboratories, and offices at three of the centers. We are utilizing rented facilities in Maysville for two programs, and one program in Morehead is housed at Morehead State University.

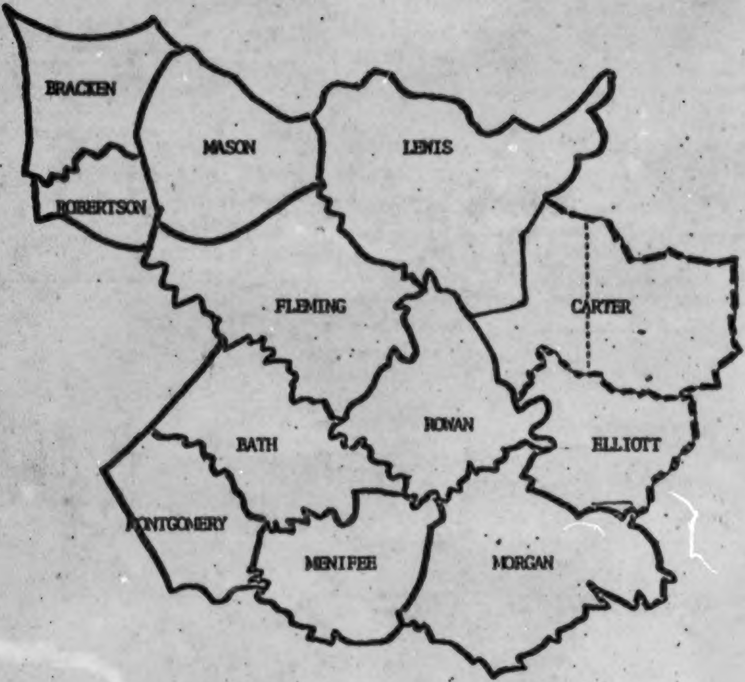
Because of lack of facilities, only ten program areas are offered and only three of these during the regular, day-time hours.

In order to serve at least 20 percent of the population needing adult long term programs in a wider range of programs, a five million dollar state vocational-technical school has been proposed and approved but is presently delayed. Prospective students do not have an opportunity in Region Nine to enroll in adult long term programs because of inadequate facilities. Many areas for training are not now available even though industry has indicated the need. Among these are machine maintenance, machinists, tool and die craftsmen, heavy equipment operators, brick masons, hydraulics, industrial machine set-up, and wood processing, to mention a few.

In summary, Vocational Education opportunities are needed in our area to permit business and industrial growth. The resources needed to make our region productive are available. We have an abundance of land, plenty of energy, adequate water supply, and a labor force willing to work. Without viable programs to train a labor fore to meet manpower needs, Region Nine will not be able to realize its potential as a full contributor to the social, economic, and political climate in Kentucky.

REGION 9—MOREHEAD STATE VOCATIONAL TECHNICAL SCHOOL

(1.) Region Nine's need for a state vocational technical school: Distance to other schools, present offerings compared to other regions, planned enrollment, and educational level of Region Nine people and its effect on employment. (2.) Manufacturing in Region Nine: Comparison to sister regions, and location of manufacturing. (3.) Student willingness to commute to school: As it compares to location of proposed new school. (4.) Cost estimates: New school, fire center, land and regional office.


BRACKEN
MASON
LEWIS
ROBERTSON
FLEMING
CARTER
ROWAN
BATH
ELLIOTT
MONTGOMERY
MENIFEE
MORGAN

A STATE VOCATIONAL TECHNICAL SCHOOL AT MOREHEAD WOULD SERVE NOT ONLY REGION NINE BUT ELLIOTT COUNTY AND WESTERN CARTER COUNTY

PRESENT DISTANCE TO POSTSECONDARY STATE VOCATIONAL-TECHNICAL SCHOOL

From	To—			
	Ashland	Paintsville	Covington	Lexington
Morehead	55	77	145	70
Mount Sterling	95	91	107	32
West Liberty	65	40	180	83
Maysville	95	122	48	65

REGULAR DAYTIME, POSTSECONDARY EDUCATION OFFERINGS

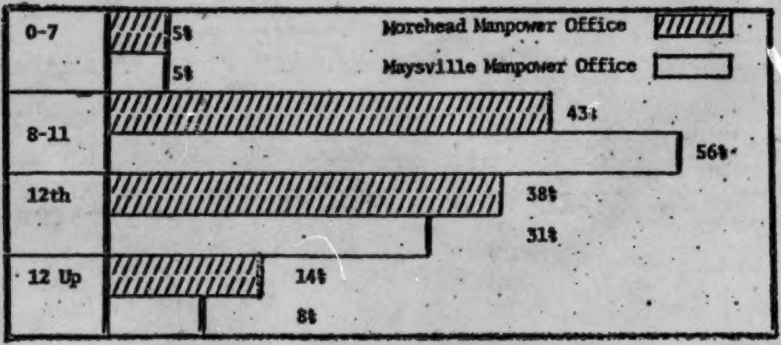
	Programs	Ag.	B&O	He	De	Health	Ind. Ed.	Learning center
Region:								
1	17		4	1		2	9	Yes.
2	15					7	8	Yes.
3	22		2	2	1	3	14	Yes.
4	22		2	2	1	1	16	No.
5	12			1		1	10	No.
6	23	1	4	3	1	6	13	Yes.
7	17		3	2		2	10	Yes.
9	5		[1] 2			[1] 2	[1] 1	No.
10	17		2	2		3	10	No.
11	23		4	1		2	16	Yes.
12	19		2	2		2	13	Yes.
13	14			3		1	10	Yes.
14	13		3			1	9	Yes.
15	19	1	2	2		4	10	Yes.

[1] CETA programs with 1 yr. funding (1 B&O and 2 LPN and 1 machine shop).

Can region 9 fill a vocational-technical school?

Population of region 9	112,000
15 programs proposed times 18 students per program	280
High school graduates last year	1,406
High school dropouts last year	619
Total in school last year and available for postsecondary school now	2,025
Students enrolled in college	360
Total left after college enrollment	1,665

NOTE.—Percentage needed to fill vocational-technical school, 16 percent. School would be full with 16.6 percent but would have available: Local secondary students, people who left school previously without a skill, veterans, additional CETA programs, and apprenticeship people. Remember that people in region 9 have never had access to a postsecondary vocational-technical school.



EDUCATIONAL LEVEL OF PEOPLE PLACED IN JOBS

COUNTY	% COMPLETING 8TH GRADE	NO. WITH LESS THAN EIGHTH GRADE EDUC.	NO. WITH MORE THAN EIGHTH GRADE EDUC.
BATH	34	3,491	1,797
BRACKEN	47	2,232	1,979
FLEMING	40	4,202	2,801
LEWIS	34	4,310	2,219
MASON	55	4,299	5,254
MENIFEE	26	1,706	599
MONTGOMERY	51	4,608	4,796
MORGAN	29	3,968	1,620
ROBERTSON	42	815	589
ROWAN	43	5,191	3,915
REGION TOTAL		25,568	34,823

EDUCATIONAL LEVEL OF PEOPLE IN REGION NINE OVER 25 YEARS OF AGE

MANUFACTURING—COMPARISON OF INDUSTRIES LOCATED IN EASTERN KENTUCKY [1]

	Manufacturing industries employing						
	25–49	50–74	75–99	100–249	250–499	500–799	800 or more
Region:							
Morehead	5	6	1	10	7	1	3
Paintsville	6	2		4	1		
Hazard	7	5		1			
Harlan	4	5	5	2	3	1	

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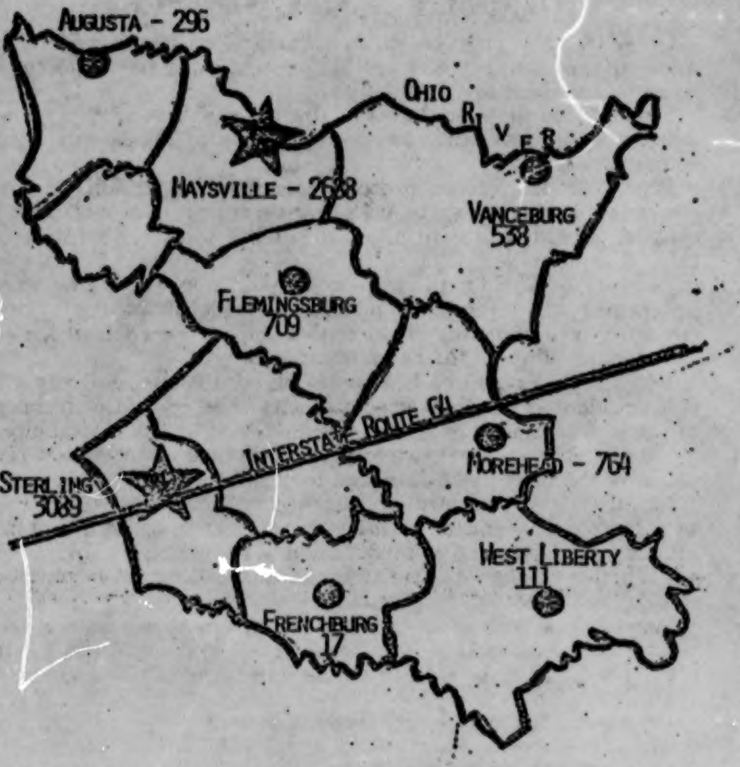
[1] Total manufacturing industries employing more than 25 people: Region 9 (Morehead), 33; Region 11 (Paintsville), 13; Region 12 (Hazard), 13; and Region 13 (Harlan), 20.


AUGUSTA - 296
MAYSVILLE - 2688
OHIO RIVER
VANCEBURG 538
FLEMINGSBURG 709
INTERSTATE ROUTE 64
MORENEAD - 764
MT. STERLING 3089
WEST LIBERTY 111
FRENCHBURG 17

LOCATION OF MANUFACTURING IN REGION NINE

STATEMENT OF DR. JOHN VANSANT, REGIONAL DIRECTOR, VOCATIONAL REGION 9, MOREHEAD, KY.

Dr. **Vansant**. Thank you, Mr. Perkins, distinguished Congressmen on the committee. I certainly appreciate the opportunity to come and present my testimony.

I would like to present this in three parts. Two of the parts may seem a little academic, but I would like to share this with the committee.

First I would like to present vocational education as a viable educational delivery system. Perhaps most of us do not need to be convinced of this. But in order to set the tone, I would like to do this.

Then I would like to propose to you a measure of vocational programs. And then I would like to talk about the vocational education programs in region 9, this service area for which I have the responsibility as the chief administrator.

Vocational education, as a dominant educational delivery system, is a standout in competencies students need to relate to the world of work. Vocational programs are designed to teach students competencies necessary to provide needed services or produce a product utilizing the most up-to-date technological methods.

Productivity of vocational students is paramount in their vocational programs and their ultimate performance on the job. This attitude of productivity in vocational education is unique in an educational delivery system so broad in scope, but it is genuine due to inherent facets of the system.

Providing a trained labor force to fully utilize our resource potential is our mission in vocational education. Improved productivity of the labor force is vital to the amending of our socioeconomic system.

Vocational education at secondary and adult levels provides training.

Chairman **Perkins**. Let me interrupt you just a moment, Dr. Vansant.

Gus Hawkins was with me about 3 weeks ago. We met with the Speaker and our leadership. We tried to get the budget resolution postponed. And what did the Speaker say to this?

Mr. **Hawkins**. I think that I would describe it as being reluctant or hesitant to do so, if we cannot do it at once. And as I recall the meeting among the leadership, that yours and one or two other voices expressed a great desire to hear from the people before we proceeded to make what is obviously a very serious decision.

I think this probably is a followthrough of your position taken at that time, that we should hear from the people.

Chairman **Perkins**. My point is that we are up against the gun. The gun is pointing right at us; we are under pressure to put a ceiling on all the programs under the Education and Labor Committee.

We are going into hearings next week before the Budget Committee. The harm is in the reconciliation process provided for under the Budget Committee rules.

But to shorten your testimony, just tell us how the cut of 25 percent will affect your program. I know your problems and I know all your schools and so forth. But how are these cuts going to affect you in Morehead, Ky., Dr. Vansant?

Dr. VANSANT. I would like to leave this and just tell you.

Chairman PERKINS. All your prepared statements will be inserted in the record at length, all of them.

But this committee knows the merits of these programs. It is our job to convince the other Members of the House. Your testimony will be available for those other Members. But could you summarize how these cuts are going to affect you, in view of the cuts made in the State of Kentucky?

Dr. VANSANT. In region 9, we are the only vocational region out of the 14 who do not have a State vocational technical school. We do not have an institution for postsecondary programs exclusively.

We serve our students in the 4 area vocational education centers in region 9. These centers are operated from 8 in the morning until 11 at night. We do not have any shops or classrooms that are not being utilized during this period of time.

We only have five daytime programs for adult long-term students, and four of these are CETA. Our programs for postsecondary students are housed in our centers in the evening, beginning about 4 o'clock and continuing on to 10:30 or 11 o'clock. We have one program that runs to 12.

In addition to the centers, we also have 11 mobile units that we have pulled into our centers to utilize for classrooms, laboratories, offices, and for storage. We appreciate the opportunity to buy these $200 trailers, because they have helped us.

We also do lease the facilities at one of our centers. We rented a house in one instance. For our LPN program we have leased a garage, and in another instance for a welding program.

At the present time we are probably serving about 4 percent of the population of high school graduates and/or dropouts that we should be serving. We are probably serving about one-fifth of the students that we should be serving in our postsecondary programs.

We do have approved and at one point it was second on our priority list.

Chairman PERKINS. Would the other students like to participate?

Dr. VANSANT. Yes. We have a waiting list. In fact, we only have nine program areas and we just do not recruit because we do not have the programs to put them in. I think one of the goals for vocational education in Kentucky is to have at least 20 areas that one can participate in on the adult long-term basis, and yet we only have 9. And we are limited in that most of the programs are at night and we are utilizing classrooms and shops on a double shift basis. They are too small, they are too crowded, but this is all we have.

For all practical purposes, we are utilizing the four facilities we have 200 percent of the time. Really, the facilities were constructed, they are cement because they are in Appalachia. The one at Maysville was constructed by that board on a State 50-50 match.

That is where we are. We are already at pretty much our limits. We do not plan any expansions next year. We do not have any place to put them. Our only hope is that we receive funding from the State to construct facilities, and we do have proposed, as I have indicated, a facility at Morehead, which is pretty much centrally located as far as our region is concerned. And until this is done we do not have a whole lot of hope for expanding programs.

Now, if we were to experience cuts, instead of serving 4 percent of the youth and adults in long-term programs; and by the way, we are limited on upgrading programs because we do not have facilities. We have full-time programs, but you cannot utilize them for short-term programs.

So if we were to take a 25-percent cut, instead of serving 4 percent, we would serve 3 percent. Then our services would certainly be limited. I feel like that business and industry is suffering in the Morehead area or in region 9 because we do not have a viable vocational education program to train people to meet their manpower demands now.

Chairman **Perkins**. I read in the morning paper that the Governor did not intend to raise taxes. And in view of the cut in Frankfort which is going to affect you, and in view of the cut in Washington if the 25-percent proposal of President Reagan is to go through, how would you be affected?

Dr. **Vansant**. As Mr. Chattin has indicated, in the last year we cut many of our support people. In fact, I lost three professionals last year. I have people doing two people's jobs. I have taken on the role of being program coordinator in addition to being regional director. I have one program coordinator now who is also acting as the student director.

We just simply build up our workload and we get by the best we can. If we suffer any more cuts in personnel, then programs will have to go, there is no question.

Chairman **Perkins**. Well, one further question. What about your equipment? Must it be modernized or updated? And do you have adequate space for the adults and youngsters that would like to attend?

Let us start with you, Charlie, and run across.

Mr. **Chattin**. No. 1, we need double the size of our facilities, at a very minimum a doubling of it. Again, as I mentioned, it was approximately $3.5 million for construction of the building we have proposed.

On the line of equipment, on the placement of equipment, updating equipment, if we go through one more year as we have this past year, with no funds for buying new equipment or replacing old and obsolete equipment, and give it one more year, and I am saying again we are going to go back to Congress and we will be going back to the State of Kentucky asking for millions of dollars in about 2 to 3 years' time, saying that this was the place to cut. But give it 2 years and then watch the same thing happen as happened many times in the past 25 years that I have been in this program, that you end up, you have nothing, your equipment is broken down, it is completely obsolete.

And last year, the year before last, we asked the State of Kentucky for something like $4 or $5 million just to update the equipment. They did come along well the year before last. They were very happy with what we were doing. Then all of a sudden, bang, out went the equipment again.

So this past year we have suffered. It looks like this year we have no money whatsoever for equipment or replacement or even repairing it. So I am saying we are going to be in serious trouble, giving it 2 years.

Chairman PERKINS. Bronelle?

Mr. SKAGGS. Mr. Perkins, to specifically answer your question, in Kentucky the plan is to replace equipment in vocational schools every 20 years. That is far too long. Ten years would be much more realistic, due to technology.

The second part of the question, dealing with physical facilities. In Kentucky we need to construct a health facility, to train people in the LPN program and other areas, and if funds are cut from vocational education and the Appalachian Regional Commission, I am sure that that building will never become a reality.

Chairman PERKINS. Go ahead, Dr. Vansant.

Dr. VANSANT. Five percent for equipment replacement, as Mr. Skaggs has indicated, is certainly not adequate, because equipment becomes obsolete in a much shorter period of time than that, plus the fact that we have wear and tear on this equipment. When you utilize equipment 16 hours a day 5 days a week for a period of 9 to 11 months, it wears out at a pretty rapid rate, and this has to be replaced quite often.

As I have indicated as far as facilities are concerned, we do not have adequate facilities now. The last program that we put in was a practical nurse program. It took us 8 years to get the clinical facilities. Part of this program is in Morehead, with about 60 positions at a medical center.

We would not have been able to have this program had not there been a surplus of HUD trailers being utilized in the flood areas of Pike County, and we were able to bring those in, renovate them and make classrooms out of it. That is just how critical it is for us.

Chairman PERKINS. Thank you very much.

Mr. Petri?

[No response.]

Chairman PERKINS. Mr. Hawkins?

Mr. HAWKINS. No questions.

Chairman PERKINS. Mr. Kildee?

Mr. KILDEE. Briefly, to both Mr. Skaggs and Dr. Vansant, if President Reagan is successful in getting a 25-percent cut enacted, what would happen to your waiting list at Mayo School?

Dr. Vansant, what would happen to any plans for expansion in region 9 with the 25-percent cut? Could you give us some specifics?

Mr. SKAGGS. If we should have a 25-percent cut, our budget is $3.8 million for our region. Approximately 20 percent of that is Federal funds. I would say that we would probably have to lay off some personnel, maybe our counselors. We have three counselors who work for region 9. They probably would have to be laid off. We have a learning center person who helps with the reading skills and so forth. We would possibly have to lay that person off, which means that we would have less staff to serve people, and I think that the waiting list would grow.

Mr. KILDEE. And region 9?

Dr. VANSANT. With the cuts, probably the first thing that would be cut would be people who are working on our program slots out on the worksites where we can train our people at the actual worksite. We will probably lose some counselors.

And as far as the school is concerned, we were hopeful that we would be well into planning, bidding, and maybe construction of the school even this year. Now this looks like it is out for next year and it has been put into next year.

And sometimes I think that politically region 9 is just written off. And I hate to have that kind of an attitude. But the need is so great in the Morehead area that with the decreased funding I think this is going to be put off and off and off. And we have been asking for this school for 8 years, and we have needed it all that time and our need becomes more critical.

The Morehead area is growing. We have a large shopping center there. We have in the region several industries that need trained people. They need people for light industries, for instance.

And just this year were we able, through CETA, to have a 12-slot machine shop program. That is the first one we have ever had. The program has been in operation for 5 months and 10 of those people have already been hired. And we need to train hundreds of people.

Mr. **Kildee**. Thank you very much.

Mr. **Hawkins**. Question.

Chairman **Perkins**. Go ahead.

Mr. **Hawkins**. You make reference to CETA employees.

Dr. **Vansant**. No, CETA trainees under title II-B.

Mr. **Hawkins**. Are you saying that you would lose these trainees. In what way would the removal of these trainees affect the program?

Dr. **Vansant**. Well, if title II-B was gone, then we just would not have the program. We contract with the prime sponsor as part of this program. We provide the training, they provide the stipend. Were this money not available, we simply would not have this program. We would not have it.

Mr. **Hawkins**. You are not going to have them anyway, because they are going to be eliminated because CETA is being eliminated.

Dr. **Vansant**. OK. If title II-B is eliminated.

Mr. **Hawkins**. In what way does this impact on your program, the fact that other programs such as CETA will be eliminated?

Dr. **Vansant**. Well, when we lose CETA funding for those programs, we have lost the program. And those are on a cyclical basis, anyway. We lose the machine shop. We lose two LPN programs. We lose a welding program. We place those welders before they even finish the program. And we lose the business office program that has operated at Morehead for 12 years. And we are placing all of them as soon as they finish the training.

Chairman **Perkins**. On February 18 they came out and said that they were only going to cut out the public service employment positions. Later they came along and asked for a cut in the training programs. They want to cut the guts out of CETA.

Dr. **Vansant**. Some people never have an opportunity for training. They must have this training allowance.

Chairman **Perkins**. We are going to do the very best we can. Mr. Kildee?

Mr. **Kildee**. These two cuts, to CETA and vocational education, when combined will be devastating.

Dr. **Vansant**. Yes, they certainly would. We are just now getting to the place where we can provide some services. We came into this position, this region was formed about 8½ years ago. We had a budget of $400,000. Now we have a budget of $2 million. I know inflation is part of that. But we are serving many more people than we have ever done before. But it looks like we are going to start back.

Mr. **Kildee**. Could I ask just one further question, Mr. Chairman.

Are the people that are served aware or alarmed by what is coming out of the White House now on this?

Mr. **Skaggs**. In Kentucky we just take what comes and hope we can live through it until times get better.

Chairman **Perkins**. Well, we have got quite a job. We are going to do the very best we can.

Let me thank all you gentlemen for your appearance. You have been very helpful. I know you have been very helpful to the U.S. Congress as far as this program is concerned.

You tell Mr. Conley, Mr. Skaggs, that I regret he is ill and could not be here.

Mr. **Skaggs**. I certainly will, Mr. Perkins.

Chairman **Perkins**. Our next panel: Mr. James T. Dotson, the superintendent of Pike County. Is he down here this morning or will he be here?

Mr. **Roberts**. No, sir.

Chairman **Perkins**. And Mr. Gene Binion, is he here? He was here earlier this morning. Come on, take your seat.

Dr. Douglas Cole, superintendent of Boyd County. This is the superintendent's panel. And Mr. Mose Napier, superintendent of Wayne County schools, West Virginia.

All of you, take your seats. We have got three school superintendents here. All right. I am glad to welcome you superintendents here this morning.

Does anybody except Dr. Dotson have a substitute here?

Mr. **Roberts**. Yes, sir.

Chairman **Perkins**. All right, fine. We will let you go ahead first, then. You are filling in for Superintendent Dotson this morning. Identify yourself for the record. Who is going to give Dr. Dotson's testimony?

Mr. **Roberts**. Thank you, sir. We will jointly.

Chairman **Perkins**. All right. Go right ahead.

Mr. **Roberts**. I first would like to apologize for the fact that Mr. Dotson could not be here.

Chairman **Perkins**. Identify yourself for the record.

STATEMENT OF ARNOLD ROBERTS, COORDINATOR OF FEDERAL PROGRAMS, PIKE COUNTY PUBLIC SCHOOLS, PIKE COUNTY, KY., ACCOMPANIED BY LARRY BURKE, SUPERVISOR, VOCATIONAL EDUCATION, PIKE COUNTY

Mr. **Roberts**. Arnold Roberts.

Chairman **Perkins**. Arnold Roberts.

Mr. **Roberts**. Coordinator of Federal programs, Pike County public schools.

Chairman **Perkins**. And do you want to identify all your friends?

Mr. **Roberts**. And I have with me here Larry Major Burke, who is supervisor of vocational education, Pike County public schools.

Mr. Dotson could not be here because yesterday evening late he was called to his sister's, who is on her deathbed. He had to go to her. So we are substituting for Mr. Dotson.

Chairman **Perkins**. I knew she had been ill for quite some time.

Mr. **Roberts**. Mr. Perkins, it is certainly a pleasure, and the other gentlemen, Congressmen, it is certainly a pleasure for us to be here and to be honored with an invitation to come before your distinguished group and to put in a word, if we might, in the interests, we think, of what is good for this country, not only eastern Kentucky, because the quality and the attitude of the worker is far more important than the equipment which he uses.

And we are talking here about developing people who can deliver the goods in a highly technical society. If I may digress from the point for a moment, let me cite an example, a case in point. Israel, a nation with less than 3 million people, plays a major role in the world today, simply because every Israeli counts.

We have other nations with tremendous populations, India or Indonesia, for example, who do not play that role in the world today, simply because every Indonesian does not count.

Now, the difference, the simple difference is in terms of training and education, nothing more, nothing less. If we would take a step further, we could look at China, a nation that represents 25 percent of mankind. With perhaps a billion people, she has tremendous resources. She has everything that would make her a great power, except that she does not represent the quality in terms of what people can do.

We hear that cuts ranging any place from 25 to 40 percent in the basic areas in training people. We also hear, by way of the grapevine, gentlemen, that why worry about it, somebody will come along and pick it up.

This simply is not so. I was pleased to hear a few minutes ago when Congressman Perkins mentioned the fact that in Kentucky that the Governor had announced his cuts. We do not have those sources at the State level or the county level, Congressman, to pick these things up.

If we lose these sources of funding, we have lost in many instances the programs themselves. Certainly there are going to be cuts. And when we talk in terms of a 25-percent cut in an era when we are having double-digit inflation, we are talking about cuts much greater than that.

I have with me here Larry Burke, who is our supervisor of business and vocational education in Pike County, who may have some words he would like to leave with you.

Chairman **Perkins**. You go ahead, Larry, and summarize as much as you can.

Mr. **Burke**. Thank you, Congressman Perkins.

I have several things prepared, but I want to skip through them.

Chairman **Perkins**. Your prepared statement will be inserted in the record altogether.

Mr. **Burke**. I first of all want to say that in our Pike County school system we have 10 high schools. Nine of them are part of the Pike County school system, one of them is an independent school. We have three area vocational centers that serve our schools.

In addition to that and I think just as important, within our high schools themselves we have vocational programs. Our students have the opportunity to participate in vocational, business and office education. Many of our trainees in this program are young ladies who go directly into the job market from high school. They already have developed the skills necessary to function there.

We also offer programs in vocational home economics, agribusiness, marketing, and distributive education. We offer vocational programs to assist the disadvantaged and the handicapped.

In our school system we have approximately 4,200 students who are enrolled in our high schools. And of those 4,200 students we have 2,300 students who participate in one or more of our vocational programs or classes. So you can see from that that cuts in vocational education in our county means that, just in that one particular area, we have 2,300 families that are going to be affected.

We also have 2,300 potential taxpaying, blue collar workers, who formed the cornerstone of our economy for so long, who are not going to receive the training that they need in order to function properly in our society.

I think it is also important to point out that in rural areas like Pike County we do not have the great drawing power of recruiting skilled tradesmen and craftsmen that we need from the metropolitan areas. If we cannot produce our own plumbers, our own carpenters, our own auto mechanics, mining technicians, then we just do not happen.

That may not be a problem for those of you who are from the larger areas, who can pick up the phone book and go through the yellow pages and find 25 different plumbers listed. But if you are in eastern Kentucky it is a dire need.

And our vocational schools and our vocational programs have met this need in the past. And I have to question what I am going to tell 2,300 students who are enrolled in our high schools, in our vocational program, what direction they can look to to develop job skills if the spending cuts in vocational education do take place.

I appreciate the opportunity to make this presentation.

Chairman PERKINS. I move the inclusion of Mr. Dotson's statement to appear at this point in the record.

[The prepared statement of James Dotson follows:]

PREPARED STATEMENT OF JAMES T. DOTSON, SUPERINTENDENT, PIKE COUNTY PUBLIC SCHOOLS, KY.

Mr. Chairman and distinguished members of the Subcommittee on Elementary, Secondary and Vocational Education, my name is James T. Dotson. I serve as Superintendent of the Pike County, Kentucky, Public Schools. I welcome this opportunity to appear before your distinguished committee on behalf of over sixteen thousand boys and girls in Pike County (and many thousands yet to come) in the hope that I may add something which will help bring some order and common sense to the present confused "budget cut mania" which seems to reign in Washington today. I wish to commend you and thank you for your concerns in this matter and for giving the little people in the country a chance to be heard. You are a ray of hope in an otherwise very confused situation. It is good to know that we still have those in government who care. God bless you.

We all recognize the need for balancing the budget and bringing inflation and interest rates under control. Such efforts are commendable. We must be careful, however, that such well intended efforts do not do irreparable damage to and undermine that which we have accomplished over the past two decades. History will not look well upon us if we, in our zeal for budget cutting, condemn a generation to illiteracy and vastly increase our unemployment and social service costs (unemployment, public assistance, food stamps, free lunch) and the many other problems that will inevitably follow. We must carefully consider the impact such cuts will have, not only in the short term, but on generations yet to come. We hope and pray that you will question hastily arrived at solutions made without concern for their impact upon the helpless and needy, and more importantly upon the future of this great country. This country is people, and our young people today are its future. We should ask ourselves: Do we want a future population in which a large segment is undernourished and physically unfit; poorly trained and educated; or do we want a healthy, physically fit, well trained and educated—first class citizenry? Gentlemen, the choice is ours and decisions which we make in the next few weeks and months will have their impact on our nation, for good or bad, for many generations to come.

I believe and I am sure that you will agree that an investment in education today, whether formalized instruction in the basics or in vocational education, is an investment in the future of this country. Likewise an investment in nutrition and human health. Tomorrow's citizens and leaders are in our classrooms today. While the country no doubt has many problems that must be addressed, none is more important on critical to the future well-being of the country than is education. We would be penny wise and pound foolish not to recognize this fact.

No educator or responsible community leader would question the need to eradicate graft and waste wherever found. In fact, this must be done. We must exercise care that, in our zeal for budget cutting, we do not weaken the very foundations upon which this democratic republic rests—an educated and thinking citizenry. Few would doubt that much of the burden of the oft referred to social programs of today were brought about because we failed to address the underlying causes a generation ago. Do we want to perpetuate that sorry legacy by failing to face up to our responsibilities today? Or, do we want to address the root cause of the problem now—while it is not too late—by providing adequately for the educational and other needs of tomorrow's citizens and tax payers today. Destiny speaks and we dare not fail!

Some would say, in fact I have heard it said, that the state and local governments will step in and fill the gap and continue with the job. But ask yourselves, "What happens it they do not?" Do we return to the good old days when the Appalachian Region (along with our city ghettos) will send out hundreds of thousands, perhaps even millions, of young men and women without an adequate educational foundation to be gainfully employed in an increasingly technical society and who will out of necessity in some way become wards of society. A sorrowful specter—but possible. Possible because in most instances, and certainly in Pike County, local and state governments do not have the resources to develop support and finance such programs. Past experience (and history) tells us that it is far less expensive to educate and train our young people today than it will be to try to provide some crisis induced make-up program in the future.

Thanks to the hard work and perseverance of gentlemen like you, we now have in place (though fragmented) a comprehensive plan, the product of extended hearings, planning, research and legislation, to address the problems of the blighted areas and the economically disadvantaged. We have some very encouraging statistical data—information which would indicate that good progress is being made in alleviating this blight. We must give these programs time in which to accomplish their objectives—a land free or nearly free of educational and economic stagnation. We are now at a crossroads in our quest for universal economic, educational and social equality. Are we to see this great piece of work dismantled piecemeal in the name of political expedience? Will not the cry of the restless and the voice of reason be heard! Thanks to men like you who are atuned to the times and who know the price.

Let us be more specific and take a brief look at several "targeted" programs and the probable impact of such budgetary cuts: Elementary and Secondary Education Act, title 1: Present grant (fiscal year 1981), $1,796,912; projected cut of 25 percent, $449,228.

Title 1, ESEA, presently (1980-81) has a budget of $1,796,912 and provides remedial services to 4,650 educationally deprived children in grades K-8 in 25 schools. Based on the 1970 census, Pike County had an eligible Title I pupil population of 6,888, or 42 percent of the 16,430 pupils enrolled in the school district. With the present grant we are able to provide remedial and other services to 4,650 children, or about 68 percent of those eligible under program guidelines.

The taxpayer does get his money's worth from every dollar expended by the Pike County Title I program as witnessed by the following evaluative data taken from the 1979-80 evaluation:

PIKE COUNTY TITLE I PROGRAM

	Number of children enrolled	NCE gain
Grade:		
Kindergarten	360	
1	492	15.3
2	454	7.9
3	423	8.9
4	461	6.8
5	428	6.8
6	364	3.6
7	286	3.8
8	197	2.1

Title I also provides many other essential related services to eligible needy project participants. Through March 1, 1981, title I had: (1) Given visual screening tests to 4,650 children, (2) provided eyeglass assistance to 249 children, (3) provided clothing assistance to 157 families, (4) conducted over (social workers) 394 home visits, and a host of other services.

With a projected cut of 25 percent or $449,228, will of necessity come drastic reductions in services to the needy. This would necessitate releasing all 150 teacher aides (48 teacher aides working with teachers serving over 3,000 children and 102 direct service or tutorial aides working with 1,650 children). Early projections also indicate that we have four fewer teachers serving approximately 240 children. We would be able to serve only 2940 children, or only 36 percent of those eligible and needing reading remediation (assuming that the present eligible figure of 6,888 would hold for the 1981-82 school year). Note that the drop would be from 68 percent of those eligible in 1981 to 36 percent of those eligible in 1982 or a drop of nearly 100 percent. Please take note of the following:

School year	Total children eligible	Number served by teacher	Percent of eligible	Number tutored by aide	Percent of total	Total served	
						Amount	Percent
1980 to 1981	6888	3000	44	1650	24	4650	68
1981 to 1982	6888	2940	36	0		2940	36
1982 to 1983		(²)		(²)		(²)	

[1] Based on 1970 census.
[2] Not available.

This would be a significant change by any standard. This loss of funds would create a vacuum which could not be filled since neither local or state funds would be available.

It is also interesting to note that as a result of these cuts we would add a potential of over 150 new persons to the unemployment rolls in Pike County. And, as we all know, Pike County is highly dependent upon the soft coal industry, an industry which is in a serious slump. One could speculate that these newly unemployed would likely seek unemployment compensation benefits, food stamps and free lunches at school. So what have we gained.

VOCATIONAL EDUCATION

There are many facets of the vocational education program in the Pike County School System. Three area centers for vocational education are located within the boundaries of Pike County and serve children from the ten high schools. In addition to these area centers, vocational programs are offered as part of the regular secondary program. Our students have the opportunity to participate in vocational business and office programs, vocational economics programs, agribusiness programs, marketing and distributive education, vocational programs to assist the disadvantaged and handicapped students.

Of the forty-two hundred (4,200) students who are enrolled in our Pike County high schools, we have more than twenty-three hundred (2,300) students who are enrolled in one or more of the various vocational programs. Of the eight hundred forty-one (841) students who graduated from our Pike County high schools last June, eighteen percent of those students enrolled in colleges while twenty-six percent enrolled in some type of post secondary vocational or technical school.

In the rural areas of Appalachia, vocational education has provided and is providing the means through which needed skills are being developed. Skilled carpenters, electricians, secretaries, mechanics, mining technicians, farmers and other tradesmen are receiving the training necessary to enter the "job market" and are, thusly, becoming productive tax payers in an economy where they are desperately needed.

As citizens and as educators, we realize that the present spending trends in government cannot be allowed to continue if our Nation is to endure. However, as an educator, I have to seriously question the promulagation of ignorance as an answer to the economic crisis. The white collar worker produced by our colleges and universities cannot financially support the cost of government. Our vocational programs produce the blue collar worker who has formed the cornerstone of our nation's economy and who will continue to do so.

Vocational education does provide the means through which the people of rural areas, such as ours, can acquire the skills and training necessary to live productive lives. It not only provides its participants with the self-esteem of earning their own way, but it also provides our communities with practictioners of trades vital to our area. The rural areas cannot become dependent upon metropolitan areas to produce skilled laborers in the areas of carpentry, auto mechanics and the may other areas. We must produce our own and provide them with the opportunities to develop and refine these skills. Vocational education has enabled our communities to reach this goal of independent subsistence.

In the final cost analysis, vocational education must be viewed as a definite "bargain". The amount of investment in the training of skilled laborers is returned many times through our system of income taxing.

The reduction of federal spending must become a reality, and education must be affected. However, I would urge that each program be judged for its individual value to our children and to society in general. In what direction do I send our two thousand students in vocational education if their individual dreams of successful tomorrows are reduced and placed on the shelf as a part of some uniformed body's proposed "budget cut". I do not believe that is overly dramatic to state that, for many of the children in the mountains, the only key to becoming successful citizens and parents is through vocational education.

THE PIKE COUNTY SCHOOLS FOOD SERVICE PROGRAM

The School Lunch Program represents without question the most important food service or child nutrition program in the country. It also reaches the most needy in the most important developmental years. The Pike County School Food Service Program, which provides hot nutritious breakfasts and lunches in all schools, seeks to provide two thirds of each child's daily nutritional needs. In recent years the Pike County Food Service, with centralized planning and purchasing, has become a model. Much of this information—purchasing, invoicing, etc.—is to be computerized in the near future which should bring about even greater efficiency. By way of introduction, the following chart will give some idea of the scope and size of the Pike County Food Service Program.

	School lunch							Breakfast program						Lunchroom income	
Year	ADA	Free	Red.	Paid	Total	Cost reduced in cents	Cost paid in cents	Free	Red.	Paid	Total	Cost reduced in cents	Cost paid in cents	Local	Federal and State
1977 to 1978........	14,807	[1] (58) 1,057,581	(3) 66,192	(39) 705,211	1,828,984	10	40	(71) 656,780	(3) 36,416	(26) 241,060	934,251	5	20	363,633.51	1,310,419.00
1978 to 1979........	15,161	(45) 921,800	(4) 102,445	(51) 1,069,590	2,093,835	10	60	(67) 655,244	(5) 50,853	(28) 271,772	977,869	5	30	465,225.31	1,570,289.64
1979 to 1980........	15,486	(48) 872,331	(8) 162,216	(44) 796,456	1,831,003	10	60	(64) 575,227	(9) 85,851	(27) 244,076	905,154	5	30	613,439.46	1,510,526.23

[1] Number in parenthesis indicates percentage of total lunches or breakfasts served.

What happens to the school food service program if the president's proposals are enacted into law? We have no certain knowledge, but rumor has it that child nutrition is to suffer a hefty 39 percent cut for the 1981-82 budget year. These cuts would be in addition to a 2½ cents per meal cut effective as of January 1, 1981 and already in effect. Such cuts in the school nutrition would have a frightening impact upon Pike County. Projections based upon such information as we now have indicate that among other things:

(1) All 29 schools will lose special breakfast programs—no breakfast programs at all in the county; (2) Special milk programs will have to be discontinued; (3) The school lunch program will have to make substantial cuts; (4) The cost of paid lunches in Pike County will have to be increased by at least one third—to perhaps one dollar per meal; (5) Many hundreds, perhaps thousands, of children will be forced to go without breakfast and lunch at school—many will have nothing at all to eat; (6) The impact will be felt in the homes and classrooms of Pike County and child nutrition for the most needy will suffer a major setback in Pike County; and (7) The Pike County Board of Education will be forced to disemploy or lay off perhaps fifty lunchroom employees.

Chairman Perkins. You have provided some dramatic figures in connection with the school lunch program and the effects of those cuts.

How many of you superintendents want to make statements on the school lunch cuts? All of you? All right.

Why don't you go ahead, then.

Mr. Roberts. If we could be permitted, Congressman Perkins, we have our director of food service programs with us, Mr. Jim Davis.

Chairman Perkins. All right.

STATEMENT OF JIM DAVIS, DIRECTOR, FOOD SERVICES PROGRAM, PIKE COUNTY, KY.

Mr. Davis. Thank you.

Chairman Perkins. Tell us what your elementary and secondary school students are paying now for a school lunch, in your regular program.

Mr. Davis. Thank you, Congressman Perkins.

In our regular program our elementary and secondary students pay the same price, because we are basically a system that goes K through 12.

Chairman Perkins. What is that price?

Mr. Davis. Thirty-five cents for breakfast and 65 cents for lunch.

Chairman Perkins. Thirty-five cents for breakfast, 65 cents for lunch.

What is your reduced price?

Mr. Davis. They pay 10 cents.

Chairman Perkins. They pay 10 cents. Now although you receive the equivalent of about 20 cents in commodities, in reality they are worth 50 cents because the Commodity Credit buys in bulk so large that nobody can compete. Let us assume your section 4 payments and your commodity payments were eliminated for the paying students. How could that affect you in Pike County, Ky.? I think you have got some figures there in the back. Let us get right to it, to the nuts and bolts of the issue, because of the time schedule that we are under.

Mr. Davis. I do not want to take much time.

At present, Congressman Perkins, we get approximately $1.02 per meal for free lunch. We are charging 65 cents for a paid lunch. If it were not for the commodities, there is no way that we could operate the program at the present level, because the difference between 65 cents and $1.02 we figure to make in commodities.

Chairman Perkins. How much higher would your regular lunches be if you lost your commodities and lost your reimbursement under the regular program? What would your school lunch cost by next October 1, when this proposal is to go into effect, for the regular school program?

Mr. Davis. In my estimation I assume that it would be $1 or more.

Chairman Perkins. $1?

Mr. Davis. Or more.

Chairman Perkins. It would be more than $1?

Mr. Davis. Yes.

Chairman Perkins. Read those facts there that you have.

Mr. Davis. Are you referring to the chart, Congressman Perkins? You are referring to the chart; correct?

Chairman Perkins. The next page over.

Mr. Davis. Next page over.

All the 29 schools would lose the State breakfast program. No breakfast program at all in the county. The State milk program would also have to be discontinued. The school lunch will have to make substantial cuts. The cost of paid lunches in Pike County will have to be increased by at least one-third to perhaps $1 per meal.

Many hundreds, perhaps thousands of children, will be forced to go without breakfast and lunch at school. The impact will be felt in the homes and classrooms of Pike County. Pike County Board of Education will be forced to disemploy or lay off perhaps 50 luncheon employees.

I would like to mention one other thing that has not been mentioned just briefly, is that due to the cut of food stamps, many families, as you know, Congressman Perkins, in Pike County would not have food at home to feed the children also.

Chairman Perkins. Gene, we can go ahead now with your statement on vocational education or school lunch, as you prefer.

[The prepared statement of Eugene Binion follows:]

Prepared Statement of Eugene S. Binion, Superintendent of Elliott County Schools

Mr. Chairman, my name is Gene Binion and I am Superintendent of schools in Elliott County, Kentucky.

I certainly appreciate being invited here today to testify at these hearings on Vocational Education and Child Nutrition Programs.

Elliott County is a rural system with less than 2,000 students enrolled in grades K-12. We have three elementary schools and one high school to serve the educational needs of the county. Ninety-five percent of our children must be transported to classes by bus, some riding as long as an hour and forty-five minutes each way in order to attend school. With present facilities available in Elliott County we are unable to provide the necessary vocational training courses for many of our students and must transport approximately seventy-five of them to a vocational school in Morgan County, which requires an additional bus ride of one and one half hour, daily, for these students.

We have documented, time and again, problems such as these and how they adversely effect the education of boys and girls in our area. During the past five years we have been attempting to secure funding for a Vocational School from such agencies as State Government, Economic Development Administration, and the Appalachian Regional Commission but thus far we have been unsuccessful due to, either a lack of funds, or being unable to meet the many cumbersome federal regulations.

It seems to us that now is not the time to reduce funding for Vocational Education, when so many young people are unemployed and are actively seeking training that will prepare them to earn a living. Progress has been made in vocational school construction in Kentucky during the past fifteen years, but a great amount remains to be done especially in the more rural areas.

A major thrust of the present administration's budget proposal is supposedly directed toward upgrading the national economy but the real danger lies in the fact that these proposed cuts threaten the education and future of millions of youth who will be a part of the economy in the years ahead.

How will these children receive the education necessary to secure a job in the technical world of the twenty-first century if vocational training opportunities are cut to the extent presently proposed? We cannot cut vocational education by 31 percent, as proposed by the administration, without seriously affecting the economic future of this country.

While discussing cuts in vocational education, one must also consider the deep cuts proposed for the manpower training programs funded through the Comprehensive Employment and Training Act. These funds are oftentimes spent with the vocational schools to purchase training classes for students who are unable to afford classes without some financial help. It appears that, in effect, vocational education is getting the ax from both ends.

In the area of school nutrition (breakfast and lunch) programs, serious problems will exist if the administration's proposals are followed. If the Congress approves a 45 percent cut in this program, thereby reducing it $1.65 billion from the current level of $3.7 billion, we think it will have serious consequences, not only on the nutrition of the children directly involved but it may have a detrimental effect on the nutrition of the pre-school children in the family. The ability of some school food service programs to continue to operate under these conditions may be in question. When we take into account the projected losses from donated foods and paid meals in our own district it appears that we would lose more than 32 thousand dollars next year if these proposed cuts are approved.

It does not seem logical to many of us involved in nutritional programs that funding for feeding children should be cut at this time. I remember a few short years ago, (1964,) when I was a teacher in a one room school and we were able to start the first hot lunch program in that school, along with the supplemental milk program. I can tell you that one does not need to be a trained health professional to be able to see the tremendous improvement in the health of the children involved. The improvements also began to show immediately in the academic area. It is not easy for a child to concentrate on the three R's if he is hungry.

I am hopeful, Mr. Chairman, that this committee and the Congress will look closely at these proposals during the next few weeks as they make decisions concerning the 1982 budget and that ultimately the children of this country will be the beneficiaries of this review.

Thank you.

STATEMENT OF EUGENE BINION, SUPERINTENDENT OF SCHOOLS, ELLIOTT COUNTY, KY.

Mr. **Binion**. My name is Gene Binion. I am superintendent of schools in Elliott County, Ky.

I am not going to make a statement about the school lunch program.

Chairman **Perkins**. Without objection, all your prepared statements will go in the record.

Mr. **Binion**. Thank you.

I remember just 15 years ago, when I was teaching in one-room schools and we started on our hot lunch program. We started with the special milk program and then we started serving hot meals with a hot plate.

And I had children come to school 7:30 in the morning and drink seven bottles of milk to start off the day, and this was because they were hungry. I do not think, you know, we need to go back to that kind of time. And I think, regardless of what we save by cuts, when you get a 25-percent cut or a 45-percent, as the Reagan administration is proposing in the school lunch program, it is a 45-percent cut. There is no way to absorb that kind of cut.

We cannot absorb that kind of cut at the local level. I do not think we can get any help at the State level because, if you read this morning's Courier you will see that the school lunch program is also being cut by the State government.

It is just that simple. If it happens and we get a 45-percent cut in the school lunch program, if we have a 45-percent cut, we are going to have to cut the services back that much.

We are presently serving breakfast to 1,500 students.

Chairman PERKINS. The issue to keep in mind is that nowhere in the country has this ever exceeded 10 percent of the cost of the school lunch program.

Mr. BINION. Right. And you know, we are getting a small cut in that.

So one thing is, if we say we do not cut the school lunch program, we are still going to be cut 45-percent. We are going to have tremendous troubles, and I think some school systems are not going to be able to operate a school lunch program under those conditions.

In our own case, in our system it would cost us about $32,550 a year, based on the projected cuts. Now, this means that we would have to raise that money from the parents who are paying for lunches; 70 percent of ours are receiving free lunches.

Mr. HAWKINS. Do you predict that a lot of your lunchrooms would close down if this 45-percent cut was put into effect?

Mr. BINION. I think so.

Chairman PERKINS. Let me now shift over to vocational education.

Mr. BINION. In our own case, in vocational education, we have been attempting for the last 10 years to build a vocational school. We have two buildings in our high schools that were built under the WPA program in 1934. We are attempting to carry out what vocational programs we are able to offer in those buildings. Presently we are offering vocational home economics, vocational agricultural, vocational business and office. And we would like to add welding, secretarial training, and maybe a prenursing program.

So we have applied to the Economic Development Administration, and to the State government. We have applied to the Regional Commission, the Appalachian Regional Commission, and we have been unable to receive funding at this point. But we are number seven on the State priority list that they have established to build vocational schools.

So we are hoping that if the economy clears up, that we can build a vocational school and offer more to our secondary students.

Mr. HAWKINS. You applied to the Economic Development Administration?

Mr. BINION. Right.

Mr. HAWKINS. Do you realize that the Reagan proposals will cut that out totally?

Mr. BINION. Yes, sir.

Mr. HAWKINS. So that would also set your program back

Mr. BINION. Right.

I also might make another comment about CETA that Congressman Hawkins brought up just a minute ago. I have been somewhat involved with the CETA program in this area, and I think it is important that we keep in mind, as Dr. Vansant testified earlier, that many vocational school programs are going to be cut out automatically with cutting out the CETA program.

I think he mentioned the full program in his particular school that would be lost when he lost the CETA funds. That will happen all over the State of Kentucky, because we are using CETA funds to finance classes at the vocational schools for afterhour programs, not classes for upgrading for adults, those kind of training programs.

That is going to possibly, in some cases, that is going to leave idle the equipment that we have in there, because we are not going to have it. And especially it is going to be difficult for people who cannot afford to go to school otherwise and who need some help under the CETA training.

What happened to us on the Economic Development Administration is the fact that the unemployment figures in my opinion, and we have had this argument for 15 years, I think, on various levels from the county level to Washington. The unemployment figures are just not correct for rural areas, in this area.

It is 55 miles to the nearest unemployment office in our particular case. People that should be counted as unemployed are not getting counted as unemployed, because they do not come into the office and sign. And that has been a particular problem in eastern Kentucky.

Mr. **Hawkins**. Well, that tax is being reduced also.

Mr. **Binion**. Beg your pardon?

Mr. **Hawkins**. The employment service tax is being reduced, also.

Mr. **Binion**. I just do not see it as a way of solving the economic problems facing the country at the present time. I just cannot see us improving the situation any by putting more people out of work and by offering less training opportunities.

I think several previous witnesses indicated that many of the people who are looking for jobs are going to have to have training before they are able to find a job.

One point I would like to make about the unemployment before we leave it and that is the fact that in Kentucky presently there are more people out of work in Kentucky than there have been since 1940. The unemployment rate is the highest it has been since 1940.

And I just do not see that as the time cut vocational education training funds, cut school lunches, and to cut the kind of programs that low-income people are depending on for survival: school lunch, training programs, food stamps. There are several programs being cut at this point that I think is going to make it much more difficult for the people in this area to live.

Chairman **Perkins**. I do not want you to feel that Gus Hawkins is giving up on CETA. It comes under his subcommittee. I know he has been awfully discouraged by these Reagan proposals. He is in there fighting. But he has got his work cut out for him. All of us have. We will do the best we can in.

Anything else, Gene?

Mr. **Binion**. I would like to add one other point about vocational education. Somebody mentioned upgrading equipment earlier, and one of the problems we are having is presently we need $8,000. That does not sound like very much money, but we need $8,000 to upgrade our business and office plant and buy new typewriters. And our particular portion of that will only be $3,500, and about $5,000 of it will be Federal cost.

We cannot match. We cannot come up with our $3,500 locally. So that is some of the problem here. So when we lose 20 percent of the Federal funds, we are still in trouble.

Mr. **Kildee**. I want to make a comment. This committee, under Chairman Perkins, is really trying to block these proposed cuts. You are doing part of your job today bringing us the information as to what these cuts will mean.

But it is also important that we get that message out to those who are the consumers, the customers of education. I am not sure they realize what is happening yet, because my mail is still coming in 10 to 1 in support of the President's cuts right across the board.

You mentioned that you cannot even match the $3,500 for your typewriters, and yet we are told by Mr. Reagan and Mr. Stockman that they can cut vocational education by 25 percent because the State and local governments can take up the slack. What we hear today is that there is no way that that slack can be taken up. Am I correct in what I hear on that?

Mr. **Binion**. Quite correct, Congressman. I just do not think there is any way that that slack will be taken up.

We just received a $50 million cut yesterday.

Voice. I have with me here a member of the Kentucky State legislature who would like to speak on that point.

Chairman **Perkins**. Go ahead and make an observation.

Voice. I really do not need a microphone. I am used to shouting to a house of a hundred.

I appreciate you out-of-staters coming to Kentucky. I am sure that your problems in Michigan and Wisconsin and California are very similar to those in Kentucky.

In Kentucky we are presently facing a $185 million deficit budget. We have been pondering the idea of where we can come up with the money. I serve as chairman of one of the House committees that is in the greater trouble, and that is the Transportation Committee. I also serve on the House Education Committee and I am an employee.

And I recognize that we borrowed $30 million to funnel into the unemployment fund because it was defunct. Now we talk about programs that we are going to cutback that will greater hamper the unemployment problem in Kentucky, which the gentleman is absolutely correct. Our unemployment figure in Kentucky is 2 percent higher than it has been since 1940.

We are 2 percent above the national level as far as unemployment is concerned. So there is no way in Kentucky, with the unemployment out there, that we can bail out the programs that the Federal Government places in jeopardy. There is no way that Kentucky can do it.

To further compound our problem, to further compound our unemployment problem, instead of having a $185 million budget deficit, we will probably go into a billion dollar deficit budget if these things go into effect.

So basically this is disastrous for the school systems in Kentucky. It is disastrous for the programs in Kentucky. As a matter of fact, it almost puts us out of business.

Chairman PERKINS. Go ahead, Mr. Binion.

Mr. BINION. Let me just finish here with one statement concerning vocational education.

Many of us during the years, some people make an argument that we have done enough building in Kentucky, building vocational schools and building elementary and secondary education. But many of us in the rural areas were skipped over during that building period, and we are still attempting to secure the buildings and necessary facilities to carry out the programs that people need at this point.

We have children who are riding the bus to get to school 1½ hours a day. In order to take advantage of a vocational program which is offered in the next county, they have to ride another 45 minutes each way. Well, this makes them 1½ hours to get to school in the morning, and 1½ hours to get home in the afternoon. And if they wish to take advantage of a vocational program which is offered in Morgan County, they have to ride another 1½ hours. They could possibly be on the bus 4 hours, 4 hours and 15 minutes, 4½ hours a day, if they wished to take advantage of the vocational programs.

And that is the situation we are presently in, and when we talk about cutting back, I do not see any chance of the situation improving if we cut funding at that point.

Thank you very much.

Chairman PERKINS. Thank you very much, Mr. Binion.

Go ahead, Dr. Cole.

STATEMENT OF DR. DOUGLAS COLE, SUPERINTENDENT OF SCHOOLS, BOYD COUNTY, KY.

Dr. COLE. I do not want to put myself in the position that I find many of the parents put themselves in today, when they say, we want discipline in the schools, until it affects them. I would not want to put myself in the position of saying, I believe in these cuts until they affect my school system directly.

I would say that if 25 percent cuts come in any area or any program, we will have some serious problems.

The school lunch program has proven to be very helpful to schools and to the kids.

The vocational program, I do not think any of us could deny the great help that it has been to the people that we serve. Certainly, unless I have missed a lot along the way, the service to kids and to young people has been a very vital service. And I would certainly hate to see anything that will send us backward.

So I would just like to make two or three statements that will show you gentlemen where we have come from and where we could go if this type of thing is given proper direction. The food service program in Kentucky was going along and we were doing the best we could with the technology that we had at that time. Back several years ago we used to do the program in cost accounting in all of the school lunch programs across the State.

That program is now operational to the point that I would match it with any strong business procedure anywhere. And in that we have been able to continue to serve even in the face of some of the cutbacks.

But we find ourselves not being able to go on then and advance and do those things that we now know should be done for kids and for schools. So even though we are getting better and doing a pretty good job with the dollars we are getting, we have now better knowledge with which to better serve kids, and it is not going to any service to the people that we are supposed to serve if we start cutting back at this time.

Now, I hear of all the abuses and the waste that is going on in many programs. I am sure those exist. I do have several examples of those that I deal with in my work every day. Back several years ago we wrote a program to the Federal agency. The Federal agency said, well, our funding is low this year. So I, through several weeks of correspondence, said, OK, we will do the job for *x* number of dollars per student. They said, OK, under that set of circumstances we can afford to fund that program for you.

A year later they came back and said, OK, you folks are going to have to apply for more money because you are making these other people look bad.

OK. What I am really saying is that there are places in the structure of Federal funding that can take up this slack if the cuts are necessary, and I am sure there are some cuts that are probably necessary. We will be accommodating. But not at the local level where services are directly going to kids. That is the crux of everything that we deal with.

We have spent many, many years in trying to get trained people in education. Many of you probably attended schools where you had teachers who were not trained as well as they should be. Today we do not have teachers who are not qualified. We do not have administrators who have not had at least some background in business procedures.

So we are ready to stand up and take our place alongside of business, industry, and anyone else, with our ability to handle the public's money in a proper way. But certainly we cannot do it if we find ourselves in the position of getting cutbacks right at the time when we are best prepared to start delivery of the kind of services that we should, the services to people who need to be employed, in jobs that they may have gotten through high school being prepared to go to college.

OK. In vocational education today now at the junior high school level, when we start a career education program and start helping kids to make proper decisions, then to get them along to their sophomore and junior year and say, hey, that program that you would like to train for is not there because the funding is no longer there. It is going to be a tough thing.

OK. One other example. The whole concept.

Chairman **Perkins**. You know, that is what worries me, too. Dave Stockman was in the House with us. How long had he been there, 4 years? A little longer than 4 years. And he moves down there and he shoots from the hip.

And when Secretary Haig objected to the cut in foreign aid, he got his relief. When he wanted to expand the public works for overseas, they did that. Naturally, the defense spending is necessary, there is no question about that.

If we cut equally all the way across the board, we would be satisfied. And we have to have some controls. It is necessary to give industry tax incentives to expand and build new plants.

But to target the bulk of the cuts on one area is a different story. Then all the burden will fall on the poor people. I am afraid we are going to have the worst situation in the world within 2 or 3 years and it is not going to stop inflation. And you will have a national emergency in the country.

I feel we should be coming up with an alternative program. But be that as it may, we have got these problems, and I agree with you.

Dr. **Cole**. Parts of any Federal funding program that do not relate directly to kids, such as the vocational program and such as the school lunch program—kids receive those services every day. There is very little administrative rakeoff at the local level in any of those programs. Most of the administrative funding comes from an existing organization.

Let us not get into cuts that are going to get down to the classroom and the kids. Thank you, sir.

Chairman **Perkins**. We have another gentleman from West Virginia this morning, Mr. Mose Napier, superintendent of Wayne County Schools, W. Va. We are glad to welcome you here, Mr. Napier.

STATEMENT OF MOSE NAPIER, SUPERINTENDENT OF SCHOOLS, WAYNE COUNTY, W. VA.

Mr. **Napier**. Thank you, Congressman Perkins and gentlemen.

I am from Wayne County, W. Va., and I might just mention a couple things about Wayne County. We are a neighboring county to Boyd County and Dr. Cole, and we are also a neighbor to Martin County, Ky. And I mention this because it points out the size of Wayne County. We reach 60 or 70 miles from north to south, from the metropolitan area of the Huntington-Ashland area to poor Appalachia.

And Wayne County, for whatever reason, has never been able to advance much in the area of vocational education. We do not have much to offer our students.

In 1972, because of a variety of things, Wayne County was able to start moving ahead. And only this past year have we been able to get work started on a vocational center in the southern part of our county. It will serve three high schools in an area of approximately 300 square miles.

We have a design and bids taken right now for another vocational center for the northern part of the county, that will serve 350 square miles and another three high schools, about 4,500 high school students altogether.

Now, we have done this, we have been able to do this, by using local funds and State funds, Federal vocational funds and ARC funds. Fortunately, much of this has already started and I do not think any cuts would directly affect what we have right now that is at the bid stage.

It would certainly affect equipping these. It would affect the continuation of these programs.

Wayne County, which is a labor surplus area serving the Huntington-Ashland business community, has great difficulty in serving its students properly in vocational education.

In the area of the school lunch program, in my prepared statement I showed that countywide Wayne County children, about 50 percent of them qualify for a free lunch. And in the southern part of the county, it is as high as 80 or 85 percent who qualify for a free lunch.

In the southern part of Wayne County we have many, many people, children, who simply would not have a good meal per day if they were not receiving it at school. Many of our children receive two lunches per day or two meals, the two they receive at school.

Any cut in funding for the hot lunch program or vocational education would have a disastrous effect on Wayne County, a county which has 10,000 schoolchildren and which is an impoverished area to begin with.

Chairman PERKINS. What would be the result if the President's proposal for a 45-percent cut in your school lunch program over there went into effect?

If you lost the 20 cents in the commodities and the cash reimbursements under section 4, what would happen to your regular school lunch program in Wayne County, West Virginia?

Mr. NAPIER. Congressman Perkins, if that came about we would have a sequence that would go something like this. We would attempt to raise the price of school lunches, because we would have no choice. We would have to raise the price of a school lunch, which is now 65 cents. And it would probably go to $1.25 or to $1.50, when all the smoke cleared.

The children in the impoverished area could not pay the 65 cents now, if we charged. They could not eat at all if that were the case.

Following that, there would be a cutback in personnel, because the county simply does not have any funding. We are in the budget process right now. We do not have funding to pick up these new expenses.

Chairman PERKINS. When your lunchroom lunches go to $1.25, would you lose your breakfast program? And many of your lunchrooms would fold up?

Mr. NAPIER. The lunchrooms would have to close because the children could not and would not participate. I would make just an estimate and say that, of the 100 percent who do participate now in the hot lunch program, if this came about that percentage would drop to probably about 25 percent of the present participation.

Chairman PERKINS. That would be the results of a 45-percent cut under your school lunch.

Briefly summarize again the effect of the 25-percent proposed cut in your vocational education program in Wayne County.

Mr. NAPIER. Congressman, we have only now reached the point where we can say to our students, next year in the southern part of the county you are going to have a school. And the year following that there will be a new school in the northern part of the county.

Our students have always gone, historically they have gone to Cabel County vocational center or the Ashland vocational center, which is the next county over. And so our vocational program, while we would have the buildings that we are now building, we would not be able to equip them properly. The programs would be cut back and the building would possibly even stand empty a good bit of the time.

Our vocational program would not get off the ground.

[Prepared statement of Mose Napier follows:]

PREPARED STATEMENT OF MOSE NAPIER, SUPERINTENDENT OF SCHOOLS, WAYNE COUNTY, W. VA.

Mr. Chairman, members of the committee, distinguished guests, ladies, and gentlemen.

I am pleased to meet with you today and share my concern for vocational education and the national school lunch program. I am the superintendent from Wayne County, West Virginia, a county that extends from the Huntington/Ashland metropolitan area southward into the edge of true Appalachia and West Virginia's billion dollar coal fields.

Vocational education was started in Wayne County shortly after the passage of the Smith-Hughes Act with programs in vocational agriculture and home economics. With the passage of the 1963 vocational amendments, building funds were used to expand the offerings at Wayne High School and to put more emphasis on vocational industrial programs.

In the last few years facilities have been planned using ARC, vocational, and local funds so that construction was started in December 1980 on a facility to serve the Crum and Fort Gay area of Wayne County. Bids will be advertised on a facility to serve Buffalo, Ceredo-Kenova and the Vinson areas around April 15, 1981, with construction to begin about June 1, 1981. These facilities will greatly expand the vocational offerings in our county.

Wayne County is located in the Huntington-Ashland-Ironton metropolitan area. Many workers live in Wayne County but work in other counties with some driving more than 100 miles per day.

The expansion of the coal industry as well as production of fuels from coal are possible in this area and vocational education can help in the training of workers. These fields can provide employment for many Wayne countians. Many of the jobs associated with these industries will require highly skilled employees.

Some of the older industries in our area have not kept pace with new trends. They will either have to modernize to be competitive or will be forced out of existence. Some have already been forced to reduce forces or close completely. The workers in some cases will need skill training for new machines, need to seek other employment or be retrained. Vocational education can play an important role in retraining these workers.

Vocational education can be an important factor in getting new industries to move into an area as shown by results in North Carolina. We have a good supply of labor, transportation advantages, raw materials, et cetera, and need to expand our industry.

Even though a good percentage of our students in our secondary schools go on to college, many cannot afford tuition and would benefit more by obtaining saleable skills in our secondary schools. Vocational education could be a major factor in lowering the drop-out rate.

Educators and the public in general agree that a nutritionally adequate school food service is an essential part of the total education program. The national school lunch program was enacted to safeguard the health and well-being of our Nation's children.

Educators also agree that children with well nourished bodies learn more rapidly and have fewer learning problems than undernourished children. Good nutrition contributes much toward making the child strong, healthy, happy, and one who learns and enjoys learning.

Federal tax dollars spent on school food service programs are actually tax dollars invested in the health and well-being of our youth.

In our county and State with Federal reimbursements as they are at present, we are just keeping our head above water. The proposed cuts of 13½ cents per lunch for Government commodities and 16 cents per lunch for total lunches served, for a total of 29½ cents per lunch, would put our school lunch programs out of business unless other sources of revenue were found. Finding new sources of State or local revenue at this time would be extremely difficult, if not impossible.

The school lunch and breakfast program in Wayne County is much needed and appreciated. Fifty-two percent of our students countywide qualify for free lunches. In the southern half of our county, 80 of our students qualify for free lunches. The school lunch and breakfast programs in Wayne County contribute greatly toward meeting the daily nutritional requirements of our school children. In our elementary schools 80 to 96 percent of the students eat a tasty, nutritionally balanced lunch in the school cafeteria daily. In many of our elementary schools almost as many students eat breakfast as those who eat lunch.

The hot lunch program is one of the most beneficial programs in the school system today.

Many of our children have two meals a day—the two they receive at school. Curtailing Federal funds for schools food service programs would damage, perhaps even destroy, the fine nutritional program we have built over the past 30 years. It is not a wise choice to deprive children of nutritious foods, foods our farmers are eager to sell, in order to reduce Federal spending. Federal funds spent feeding school children so that they may grow up to be strong, healthy, and happy adults is money invested in the future of our Nation. Our school children today are our Nation's future. They are our teachers, lawyers, doctors, scientists, and Congressmen of tomorrow. It is up to us as the voting public of the present to get our priorities in order by feeding the children class "A" lunches and training them to become worthwhile citizens of tomorrow.

Chairman **Perkins**. Dr. Cole, what would be the effect of the 45-percent cut on your school lunch program in Boyd County?

Dr. **Cole**. Well, as Mr. Napier mentioned, we would close down several cafeterias. I would not see any way possible for the majority of our kids to be able to pay the kind of prices that we would have to charge in order to prepare lunches for them.

Even at best, there would not be any way we could come up with the proper amount of efficiency to take care of that much of a cutback. It would be impossible.

Chairman **Perkins**. Mr. Petri?

Mr. **Petri**. Just one area of questioning on the school lunch program. There was some testimony in Washington earlier in the week at hearings that we had there that the administrative cost of the programs to the local people might be increased as much as 15 to 20 cents a meal because of various Federal bureaucratic requirements of one kind or another.

Do you think there is any truth to that? If all the guidelines and the rules and the other work would be cut back, would that be of any help to you in making sure you could supply more food?

Dr. **Cole**. In just about every aspect of Federal funding, that particular statement could be proved to be true. I think there seems to be, as the money comes to the local school district there seems to be some feeling from way above that we are all a bunch of crooks and mismanagers down here.

But I know these gentlemen sitting here at this table, and I know that their moral and professional commitment to serve kids is far greater than any regulatory or legal commitment that you could force upon us. And we deal directly with kids' problems every day.

When trouble starts in a home, it most generally manifests itself in the performance of the kids, either in a behavior modification or either in poor performance at school or many other things. And we get the problems. If unemployment occurs in a home, we get the brunt of it at school.

And certainly, programs that directly affect kids in the classroom and in the individual neighborhood school are ones that need to be dealt with on a very serious basis and not just out here slicing because of some across-the-board cuts. Now, there may be places that we can cut. I do not know. But not just someone to come in and just say right off the top of their head, well, we can do this, without ever getting down to the local school, the neighborhood school, and finding out if those cuts in effect will directly influence what happens to that youngster.

Chairman Perkins. Mr. Hawkins?

Mr. Hawkins. I have no questions.

Chairman Perkins. Mr. Kildee?

Mr. Kildee. I have no questions, Mr. Chairman.

Chairman Perkins. Let me thank the entire panel. You have been very helpful to us. We will bring all of your testimony back to Washington for all of our colleagues to read.

STATEMENT OF HAROLD JETER, SPECIALIST IN EQUAL OPPORTUNITY AFFAIRS, ASHLAND OIL

Mr. Jeter. Thank you very much. I appreciate very much having the opportunity to be here this morning as EEO specialist to represent the great company, Ashland Oil Inc.

However, if it pleases the Congress this morning, I would like to keep my comments as brief as possible because we do have with us Mr. Ishmael Stevens, who is the present supervisor of employment, and we don't want to try to duplicate any figures that would be acceptable to you.

I have been privy to work with Ashland Oil for the past 25 years. We are very proud of our company. Twenty-one of those years I worked in the employment department. I served as manager of employment.

If any of you have ever served as manager of employment department for a $5 million corporation, you have your hands full and you get gray hairs sometimes prematurely.

I have always been a friend of vocational education, and particularly the local school. My contract with them really came to fruition about 1971 or thereabouts. At this particular time Ashland Oil was in a state of expanding. We were in a state of centralizing. We were bringing departments from field locations from companies we had acquired into this area.

It is very easy in some cases to transfer professional people, people at the college level from one city to another. That's the normal procedure. It is another horse when you are talking about people in the nonexistent ranks, the technicians, the clerks.

As we begin to bring these departments, we were faced with some dilemmas at this time. We were having an extreme difficult situation in trying to provide a sufficient number of drafting people that we needed. They just were not available. The only thing available was people who had a couple of years of high school drafting, which didn't meet our needs at all.

We also had a great need at that time for secretaries. As you bring people in, professional people, you have to provide the clerical support.

We had a drastic shortage of people with the capabilities of taking shorthand. We had a shortage of people who had capabilities of taking care of the accounting and clerical work.

We turned to the vocational school, and my good friend, Charlie Chattin and his capable staff, to meet those needs at the vocational school. Mr. Chattin trained for me two large classes of accounting and clerical people who were tailor made to our needs.

He trained for me a large class in basic shorthand, which bailed us out in that. We also at that time were able to meet our needs in the trades and industries class, because they started in in an adult cooperative education program at that time.

We were experiencing difficulty in drafting. We talked to them. We set up a cooperative training program starting with poor people. We sold that to other management and in a very, very short while, those cooperative training programs had developed were not only co-oping draftsmen, but people in other disciplines such as automobile mechanics, auto body fender people, industrial electrician, carpentry, welding, and some electronics; business and office.

I am happy to say today that those programs are still alive and they are flourishing, and we are happy. These are tailor made to us. This gives us an opportunity to bring youngsters, people in their 13th and 14th year of education into our company, where they can get a look at the oil industry, where they can work right on the job, where we have monthly evaluations they are working as they return to school on their alternate month.

Those shortages, those shortcomings that they may have can be corrected, so that when they graduate 22 months of vocational training, you have a product in this community and our company, and that school can be proud of.

Ashland Oil is a socially responsible company. Also if the manager wanted my time, we wanted to meet our commitment as far as hiring the members of minority community and people who were economically disadvantaged. We had commitments to make.

That's pretty tough for energy to take that on and try to train those people on your own. A visit to Charlie Chattin's school solved that problem for us on two occasions in a very satisfactory manner. He was able to meet with us with his business and office people, and we establish two different programs where we trained minorities, economically disadvantaged people.

Chairman Perkins. Is that your statement?

Mr. Jeter. We were able to take these people from the community where they were dependent on tax dollars and to the school to provide training for them that turned them into taxpaying systems.

Gentlemen, that is a good return on your tax dollars. There are many other things I could say, but for the sake of expediency I would like to defer to Mr. Stevens, who will give you more statistics. I would like to cast a vote of confidence in our school and say I am a friend of vocational education, not only here but everywhere. I think it is a backbone. It is a catalyst of every community.

And in answer to the question of what the cuts would mean if it means anything here, Ashland Oil is looking for at least two expansions and a reduced crude conversion unit and the establishing of the gasohol plant at South Point.

Less training means less skilled people because the economy expands—and we certainly hope it does—it means greater opportunity.

Gentlemen, those things go in opposite directions. There's going to be competition for the few skilled people who will be trained. It is going to be a dilemma, and industry is going to have to be faced with it.

What is going to happen, in my opinion, would simply be this: If we can't get the skilled people, industry will pick up what they can and what they cannot will simply be dropped, and the community and the people in the community will certainly be the loser.

I would like to defer now, if I may, to Mr. Stevens, our employment supervisor.

[Prepared statement of Harold Jeter follows:]

PREPARED STATEMENT OF HAROLD JETER, SPECIALIST IN EQUAL OPPORTUNITY AFFAIRS, ASHLAND OIL

I very much appreciate having this opportunity to represent Ashland Oil on behalf of vocational education, and in particular the Ashland Area State Vocational/Technical School.

I have been with Ashland Oil 25 years. For 21 years I worked in the nonexempt employment department, and for a good number of those years, functioned as departmental manager.

My first real experience with the Ashland School came in 1971. During this time we were in an expanding pattern, and some functions were being centralized to Ashland from field locations. The year 1971 found us facing quite a dilemma as far as locating qualified drafting people to meet our growing needs. As manager of the employment department it was my responsibility to resolve the situation and up to this point we had experienced some difficulty getting department managers to look at vocational school students, their reluctance being based in some cases upon their experiences in other geographic locations. Consequently, we had to resort to newspaper ads and private employment agencies as far away as Cincinnati, Columbus, or even Pittsburgh. This was not a satisfactory arrangement. About this same time, the Ashland Vocational School began their cooperative training in the trade and industry disciplines.

Their contact with us regarding their co-op program turned out to be a godsend. After convincing some managers that their program was worthy of a try, we entered into an agreement for a small drafting program. However, when managers began to see the caliber of training provided by this school, the program began to grow and expand by geometrical progression. We went from a simple drafting program of about four people to a much larger program encompassing students in auto body, auto engine, industrial electricity, welding, carpentry, business and office, and some electronics. The success of the co-op programs have been overwhelming. Our programs utilize nearly 50 percent of all their co-op students and our retention rate has always bordered right at 70 percent. The only reason the figure is not higher is due to the fact that in co-oping it takes two people to fill one job since the co-op and alternate rotate month about with one in school and the other on the job. Consequently, we train more than our company can utilize alone. The others have no difficulty whatsover locating work, and in fact, we have used quite a few in nonrelated jobs where their training has given them a head and shoulder advantage over unskilled applicants. We have not had a complaint on our co-op program, nor have their students given us any discipline problems.

Success breeds success, and there is nothing to compare with a happy customer. Our successful co-op programs led us to basic shorthand and accounting clerk training programs specifically designed to our needs, and very successful.

Ashland Oil is a socially responsible corporation, and in carrying out our commitment to the minority members and economically disadvantaged members of our community, on at least two occasions have utilized the expertise of the Ashland Area Vocational School to provide a 300 hour clerical training program for minorities and disadvantaged people who lacked skills and were unable to find meaningful employment. Upon completion of training, Ashland Oil guaranteed them a job.

Ashland Oil has utilized this school in many other industrial programs too numerous to mention, and on each occasion we have encountered the same high degree of professionalism and desire to assist us. However, I am convinced that industry and labor in this area have only begun to tap the expertise the vocational school can provide.

We feel our programs have provided a good return on tax dollars spent and have been effective in turning tax dependent people into tax paying people with a significant contribution to our community. The Ashland Vocational School has really been the catalyst.

Our company has planned expansion in the near future. I am sure you will hear the same thing from other industrial representatives here today. I am sure we all share the same feeling of wanting to see our economy recover and the free enterprise system flourish. Over the past years, the Ashland Area Vocational School has been our mainstay in providing skilled trades mechanics for industry. Considering not only the present, but looking ahead as the economy expands, as industry expands, as the need for skilled people expands, if we, the industry of the Ashland area, cannot look to the Ashland Area Vocational School to provide sufficient training for our people, then we are obligated to ask, "To whom can we turn?"

I, for one, would like to cast a vote in whole-hearted support of the Ashland Area State Vocational/Technical School.

STATEMENT OF ISHMAEL STEVENS, SUPERVISOR OF EMPLOYMENT, ASHLAND OIL

Mr. **Stevens**. Thank you, sir. Thank you very much. I appreciate the opportunity to speak before you today. As my wife laid out my clothes for me this morning, she made me promise to behave myself and not get all carried away.

This is a very emotional thing for both Mr. Jeter and myself, and the fact that we have worked very closely in vocational education. In fact, I am a product of vocational education in this area.

In fact, I was involved in the local vocational school for about 8½ years working in cooperative education for schools, so I know something about vocational edcucation because we are tied up in it with our emotions.

I would like to be as brief as possible. I know many people will speak here today, but I would like to point out just a couple of things to you before Ashland Oil is concerned, as far as cooperative education is concerned, and vocational education as our immediate area.

First of all, I would like, if you would please, just take a look around you. Take a look at the facility that we have in our new age coal plant, Catlettsburg, Ky., and the mineries in Catlettsburg and throughout the United States.

You can't have facilities like this without the product of vocational education. You can't have it without welders and machinists, mechanics, carpenters, people of this nature. You simply can't have facilities like this without that kind of product being turned out by vocational education.

As importantly as vocational education is, in my own personal view is cooperative education, which helps with the transition of these young people, both male and female, in vocational education, which breeches the gap from the world of schooling to the world of work and being productive.

One particular student that comes to mind who is presently employed by Ashland Oil—in fact, is employed presently by one of the gentlemen seated here today—is his manager. This young student came to vocational school while I was there, wanting an education. He enrolled in auto body repair shop.

This young man was an interstate student, and he paid a tuition, an enormous tuition. But to get the money he was to pay he had to sell pop bottles. Needless to say, he couldn't come up with $21 an hour for tops. That was not his interest anyway. His interest was in trying to learn how to do body repair.

He did learn it and learned it very well, overcame a handicap because he was almost totally deaf, and with the help of the instructors, with the help of the patient people, with the help of cooperative education, by helping him being placed on the job to breech the gap, he is today employed by Ashland Oil.

He has his family. He has his own home. He has his own vehicle, and he is a productive, taxpaying citizen in our community.

Statistically, I think, the Ashland Vocational School is a school locally that we are most familiar with, and it has done very well. When Ashland Oil was originally hiring for the new age coal facility, there was one instance I will bear in mind—which is far more than the 68 people I'm about to refer to there—but in one instance we had 54 operators and 14 instrument technicians that were employed in one fell swoop with the new age coal plant that was trained at the vocational school facility.

I dare say we had no place to train those people while the plant was being constructed, if it were not for the vocational school locally. They let us use the facilities and their staff to help train those 54 operators and 14 instrument technicians.

Again, back to cooperative education. Since 1971 Ashland Oil has enjoyed—believe me, has enjoyed and prospered by having a cooperative education program with the local educational school.

We retain approximately 25 to 30 students per month from this local vocational school in cooperative education, and work for us and train with us on the job.

Our rentention rate is approximately 60 to 70 percent. The rate that these students are paid is anywhere from $3.70 to $4.50 per hour as a co-op school. Sampling the 40 vocational trained co-op schools earning an average of $3.70 per hour would earn in a 40-hour week $5,920, for the year a little over $307,000.

We have paid back in taxes, based on what I consider a conservative rate, actually 15 percent, a mere $46,176 back into the coffers of the Federal Government. I think that we can safely say that vocational education does not cost, and vocational education pays. Vocational education pays with trained people who can come out and be gainfully employed in an industry such as Ashland Oil.

You may have been given figures. I got these from the local vocational schools, that over a period of time in cooperative education, there was 260 students placed on the job; Ashland Oil was in the process of training approximately 130, so we are doing as much as we possibly can in working with the vocational schools because they are needed.

Gentlemen, we need these people desperately. I cannot as supervisor of employment for Ashland Oil, take in and hire someone that does not have some training, some qualifications already. We simply cannot function properly without some very detailed, expensive training.

People come to us trained and ready to work are the ones we are most interested in hiring. This is a high product from vocational education, and in particular, national education.

I look at it, at vocational education, if you will, as a link, a link between business and industry and well trained people that want to get the job that can go out seeking and obtain a job, and in particular, the link between vocational education, the people trying to become trained on the job, and as they are looking for these people.

I thank you for your time. I appreciate it.

[Prepared statement of Ishmael Stevens follows:]

Prepared Statement of Ishmael Stevens, Supervisor of Employment, Ashland Oil

This is in response to a stated concern over the Ashland State Vocational/Technical School budget of federal monies. May I ask that you consider very carefully the impact on this area's economy if anything should happen to lessen the effectiveness of the school.

Having been a part of the school's administrative staff for eight and one-half years working with student placement I can honestly say I have witnessed the good that our Vocational Education Programs have done for our area.

Before being employed by Ashland Oil, Inc. I was a Programs Coordinator and worked in placing students on the job for work experience. One of the young people I placed was Jim Arnett, a student in Auto Body Repair. Jim was a good student, always striving to do a good job and learn the trade as well as possible. Jim had one problem however, he was almost totally deaf. Through the efforts of the Vocational School staff, instructors, and the Vocational Rehabilitation Office, Jim was able to have the help he needed to be able to hear again. He had several operations, hearing aids, and a lot of understanding from his instructors in order to survive the ordeal of regaining his hearing. He is now a productive member of society and the work force. He and his family are doing well and enjoying the fruits of his labor.

Statistically the Ashland Vocational School has done, in my opinion, a tremendous job in the training and preparation of young people for the world of work.

When Ashland Oil was originally hiring for the new H-Coal facility at Catlettsburg, Kentucky a number of people were employed and trained at the Vocational School. Of particular instance there were 54 Operators and 14 Instrument Technicians trained at the Vocational school facility.

Since 1971 a constant flow of trained Co-op students have come to the ranks of Ashland Oil as employees. These people came to us from the Vocational School disciplines of Auto Mechanics, Welding, Drafting, Electricity, Carpentry, Machine Shop and Electronics.

Ashland Oil normally maintains approximately 25 to 30 students per month on the training program. Our retention rate is approximately 60 to 70 percent overall. The students we cannot retain seem to have no trouble in finding other employment. The rates of pay for these students range from $3.70 to $4.50 per hour.

A sampling of 40 vocationally trained employees earning an average of $3.70 per hour would earn $5,920.00 in a week. In a year they would earn $307,840.00. Based on an income tax of 15 percent they would pay $46,176.00 in taxes. Each employee would pay $1,154.40. A copy of a report shown to me on a group of vocationally trained students in 1980 stated that 120 students earned approximately $140,800.00 that year. This would result in a return of $21,120.00 in taxes based on the 15 percent used earlier. These 120 students were working in our local area and were again being productive.

I personally feel it is vitally necessary for the Business and Industries of our community to have well trained individuals seeking and gaining employment for our community to grow and prosper.

Chairman **Perkins**. Thank you very much. Our next gentleman is Charlie Napier.

STATEMENT OF CHARLIE NAPIER, ASHLAND WORKS, EASTERN STEEL DIVISION, ARMCO, INC. ASHLAND, KY.

Mr. **Napier**. Thank you, John. I'm Charlie Napier, supervisor of personnel relations at Ashland plant of Armco, Inc.

We employ approximately 4,500 employees at the Ashland works. My area of responsibility is, among other things, employment, personnel representatives, interest in training.

Association of Armco has for 27 years been in the Ashland area. My association with the Ashland area has been back 25 years.

Armco, from my personal knowledge, Armco has been a supporter at least for 25 years—I think we have evidenced this in our relationships and our support with subsidization of instructors for our own benefit, providing military personnel with advisers, whatever, equipment donations ranging from such small things as canvas, 72-inch shears.

I only point out all this as evidence that our company wants to support the school and the school supports us. As an example of some of the benefits that we have derived from Ashland vocational school has been limited to just the past 12 to 18 months. These same types of programs and service has been utilized by us at the school for the last 20 to 25 years.

The Ashland area vocational school trains all of our Ashland work apprentice welders in the first 6 months. The five most recent employees to enter our welder apprentice area are Ashland work school graduates, 25 welders. Our employees have taken up update training skill classes in the past 28 months.

The Ashland vocational school is admitted for pipe service tests that all Ashland welder apprentices must pass before coming through. We have 70 welders here that have started in the past 10 years, and have passed this test and this school.

Thirteen welder apprentices will be ready for this test in the next 12 to 18 months.

We have 80 maintenance shops where they receive 2-week training and special printing class instructed by the vocational school instructor, and it is our plan and hope that it could be an annual printing class.

The Ashland area vocational school has provided assistance, instruction, and special credit.

We feel that the school should be allowed to continue to provide not only the level of operations it has, but to continue to provide the rest of the community the high-quality vocational services and programs that it has. And it is our hope, it is Armco's hope that the school be permitted to do.

[The prepared statement of Charlie Napier follows:]

PREPARED STATEMENT OF CHARLIE NAPIER, ASHLAND WORKS, EASTERN STEEL DIVISION, ARMCO, INC., ASHLAND, KY.

Mr. D. L. Coleman, Manager—Ashland Works, Eastern Steel Division, Armco Inc., has authorized me to appear before the Subcommittee on Elementary, Secondary, and Vocational Education at the hearings held in Ashland, Ky. on March 13, 1981. He has designated me as his personal representative with authority to represent Armco's Ashland Works in any testimony necessary to the conduct of the hearings.

I am Charles E. Napier, Supervisor—Personnel Relations, Ashland Works. I have been an Armco employee for twenty-seven and one half (27½) years (all of which has been at the Ashland Works). My Armco experience includes assignments in Industrial Engineering, Industrial Relations and a wide variety of assignments in Personnel Relations. Employment, Training, Employee Benefits, Records and Mutual Interest are included in my area of responsibility. I have been in my present position for eleven years; however, a variety of previous assignments have contributed to my close knowledge of the association and mutual cooperation shared by Armco and the Ashland Area Vocational School for the past twenty-five years.

Armco's concern in the growth and continued success of the Area Vocational School is evidence not only by our utilization of the school's services, facilities and vocationally trained job applicants but also by our past record of support to the school through various means, such as equipment donations ranging in size and value from such items as cameras, video tape recorders and projectors to a mammoth ten-ton 3/16 inch by 72 inch metal cut off shear. We also supply approximately fifty tons of sheet steel annually to the school's welding program and we subsidize the hourly pay rate for those instructors involved in programs in which Armco participates. Armco also provides management personnel to serve on Advisory Boards, Special Committees, etc., as maybe requested by the school. I, personally, have served two separate terms (6 years) on the Regional Advisory Board and on several special committees. D. D. Fitzer, Sr. Personnel Representative, Armco has served on the Advisory Board for eight years (4 years as Chairman). R. E. Hatcher, Weld Shop Foreman, Armco, serves as a Weld Advisor on the Craft Advisory Committee and Susan R. Lester is a current member of the Regional Advisory Board.

The services and training produced by the Ashland Area Vocational School for the Industrial Community are as numerous and varied as are the companies and industries in the area. Armco's Ashland Works has grown dependent on much of the training and many of the services and programs provided by the Area Vocational School. Some examples of the involvement for the current 1980–81 school year are as follows:

(1) The Ashland Area Vocational School trains all of the Ashland Works apprentice welders for the first six months of their apprentice program. This involved seven apprentices in the past eighteen months.

(2) The five most recent employees to enter the Welder Apprentice Program at the Ashland Works were graduates of the welder craft program at the Ashland Area Vocational School. (These are in addition to those referred to in item No. 1).

(3) Twenty-five welders have taken update training skill classes in past eighteen months.

(4) The Ashland Area Vocation School administers the ASME Boiler Code Pipe Certification test that all Ashland Works Welders Apprentices must pass before becoming journeymen. (Seventy Welder Journeymen have certified in the past ten years). Thirteen Welder Apprentices will be ready for this test in the next eighteen months.

(5) Eighty Maintenance Shops Apprentices received two weeks training in a special print reading class instructed by Vocational School Instructors. It is planned that this be an annual training class.

(6) The Ashland Area Vocational School provides assistance and instructions in conducting special craft related classes for electrical and mechanical maintenance personnel in fields such as Refrigeration, Industrial Electricity, Electronics and Print Reading. Approximately fifteen to twenty employees per year receive this training at the school complex.

(7) The Ashland Works utilizes the school's facilities and instructors in the presentation of the Annual Ashland Works Evening Training Program which is open to employees and members of their family. Classes, such as, First Aid, Cardio Pulmonary Resuscitation, Basic Math, Automotive Tune-up, Engine Repair, Air Conditioning, T.V. Repair, National Electric Code, Cabinet Making, Basic Electricity, Woodworking and Carpentry are included in this program. Enrollment ranges from 130 to 200 employees per year.

In view of the above, it is apparent that the level of operations maintained at the Ashland Area Vocational School is of great interest and grave concern to Armco and other members of the Industrial Community. Recent budget reductions and restraints on physical expansion have limited the school's full service potential to the community. The school currently has nearly seventeen hundred applicants on the waiting list for post-secondary education and approximately seven hundred applicants for adult evening programs. Obviously, any further reductions of support to the Ashland Area Vocational School would require a reduction in programs and subsequent loss of services to the community.

The Vocational School is not only a valuable asset to the area, it plays an integral part in the day-to-day operation of the industrial community and it is our expressed hope that the Ashland Area Vocational School be afforded the opportunity to continue its present level of high-quality vocational education without undue restraint.

Chairman PERKINS. Our next speaker is Mr. Paul Harvey of Allied Chemical Co. Go ahead, Mr. Harvey.

STATEMENT OF PAUL HARVEY, SUPERINTENDENT OF LABOR RELATIONS, ALLIED CHEMICAL CO., ASHLAND, KY.

Mr. HARVEY. My name is Paul Harvey. I am Superintendent of Labor Relations at Allied Chemical's Ashland Coke Plant here in Ashland. I have no prepared statement this morning and no formal program to present.

I would like to relate to you some of the benefits of vocational training at the Ashland Coke Plant since I have been there. I came to the plant in June 1975. When I came to the plant, we had virtually no training programs at all at the Ashland plant.

We began training programs in late 1975 and formalized a welding training program beginning in March 1976. This program was done in conjunction with our local union. It was a joint effort between labor and management, and also with the assistance of Mr. Chattin of the Ashland Area Vocational School. Since March of 1976, we have trained approximately 19 to 20 welders in the welding training program.

Beginning in 1977, we developed, again with the efforts of Mr. Chattin of the vocational school, a layout training program, in which we have trained approximately three individuals in layout training.

In 1978, we went into a training program with electricians, which we had some difficulty at the time with the vocational school with respect to funding. Allied Chemical supplemented the salary of the electrical instructor at the vocational school and contributed $10,000 to his salary in order for us to have an electrical training program.

Since 1978, we have trained approximately 21 electricians at the Ashland plant.

In 1979, we entered into a machinists training program with the Ashland Area Vocational School, and we have trained approximately three machinists at the Ashland plant.

We currently are working with Mr. Chattin and the staff of the vocational school to develop a heating, ventilation, and air-condition program which we hope to get in August of this year. And we also have been working and attempting to develop a maintenance and repair training program, which we hope to implement in the near future at the Ashland plant.

I think a good example of how important vocational training has been to us at the Ashland Coke Plant is that the purpose of our training programs are twofold:

Number one, it is to upgrade employees who are currently working in the classifications that we had developed training programs in. Now these employees may have been employed at the plant for 20 to 25 years. So we are talking about training employees who have been away from classrooms, away from schools for maybe 20 years, 25 years, and it was quite a readjustment for these employees to reenter vocational training, reenter a classroom situation, and retrain and upgrade their scales from the classification in which they were working.

The program also gave us a systematic approach to training and classifications, where an employee would enter as an apprentice right out of school.

The success that we have had in training our older people and preparing them for crafts at our plant, it has proven to be quite successful.

Again, that is all I have. I would like to say again that I think that any cutback in vocational training would seriously be detrimental to the employees in our county.

Thank you very much.

Chairman PERKINS. Mr. Ellis Harmon?

STATEMENT OF ELLIS HARMON, BUSINESS REPRESENTATIVE, IRONWORKERS LOCAL NO. 769, ASHLAND, KY.

Mr. HARMON. I am Ellis C. Harmon, business representative, Ironworkers Association No. 769 here in Ashland, Ky.

I have been associated with vocational schools since 1956, 25 years. I love the service that they provide. In 1956 I went to Ashland Vocational School. I asked them for assistance in instituting an apprenticeship program for the training of our people, our members. I got 100-percent cooperation. We were able to implement a training program for our members, that we had never had prior to that time.

Since that time we have had an uninterrupted training program, and the cooperation that we received from the school has been absolutely tremendous. Now what we are talking about here today and the way I see it, Congressman Perkins, is that about the only shot that we have got to preserve the programs that are important to us are you gentlemen sitting here today on your side of the aisle.

Now, these programs are important because we must continue to train our people. We lose membership and we lose workers through attrition. We lose them because of various reasons. They may move to another occupation, what have you.

We must continue to train our people. And the only facility we have got in this area for training is the Ashland Vocational School.

Now, our situation is this. We have a waiting list down there. We do not solicit. The Ashland Vocational School does not solicit students. We go to the Ashland Vocational School and we tell them the types of programs that we need, and they have come through 100 percent.

Our members, even if they are not participants in the training program, they sign the waiting list and they could wait for even years to obtain training.

And about the only thing that I can say is that we just flat cannot do without it. We do not have the resources for this type of situation. We do not have the training facilities. The contractors do not have the training facilities. The only facilities we have got are the vocational school. And I just do not see that we can stand any reduction in these facilities or in the funding of the programs for these facilities.

The carpenters, the bricklayers, the painters, the ironworkers, all the trades in the area with the exception of one, the pipefitters. The pipefitters have a program whereby they fund their own program. That program that the pipefitters have costs approximately 1 percent of their total wage package. What we are talking about is about 12, 14 cents an hour, for the pipefitters to provide their own training resources.

We do not have those resources. The other trade unions do not have the resources. So I believe it is of the utmost importance that we try to retain the funding for these programs.

And I will say that the acconding for these programs.

And I thank you very much for coming to Ashland so that you can see first-hand what the need is for training facilities here in Ashland. The program certainly does pay its way, in my opinion.

Chairman **Perkins**. Thank you.

[Prepared statement of Ellis Harmon follows:]

Prepared Statement of Ellis Harmon, Business Representative, Ironworkers Local No. 769, Ashland, Ky.

Gentlemen: My name is Ellis D. Harmon, business representative of Iron Workers Local Union No. 769, in Ashland, Kentucky.

I appreciate your invitation to participate in a hearing with respect to vocational education and child nutrition programs. Also, I appreciate the members of the subcommittee coming to Ashland to personally investigate the situation in connection with continued funding for these important programs. I have been associated with the Ashland State Vocational Technical School for the past 25 years. With the able assistance and cooperation of officials of the school, we were able to institute an apprenticeship training program for our organization with related classroom instruction facilities provided by the school, which has continued uninterrupted since 1956. This apprenticeship program has been very successful and has resulted in a high percentage of the membership of our local union becoming competent and well qualified craftsmen, who are easily employed, and productivity has increased substantially.

The Ashland State Vocational Technical School has provided a valuable service to business, industry and other segments of our society by providing excellent facilities for training people who desire to learn skills which will ultimately result in them entering the labor market, because they have been properly trained and are much better qualified than those workers who are unable to avail themselves of proper training.

Most of us recognize that the general trend and mood in the country at present is to advocate abrogation or reduction in funding of many Government programs. This concept, however, should not include those programs which are of utmost importance and have a direct affect upon the economic situation in the country. I believe the vocational education program is needed and should be continued and expanded, if we are to achieve a strong economy, and reduce unemployment. We need competent and well qualified people to replace those who leave an industry by attrition or other reasons. If we are to achieve complete economic recovery, as advocated by so many people, then we must have well trained and highly qualified workers to meet the demands of business and industry.

I, furthermore, believe that funding for vocational education is tax dollars well spent and is returned tenfold in increased taxes paid by those who, as a result of better training, are in greater demand than untrained and unskilled workers.

Thank you gentlemen.

Mr. **Perkins**. Go ahead, Harold.

STATEMENT OF HAROLD HAIGHT, MANAGER, RURAL ELECTRIC COOPERATIVE CORP., GRAYSON, KY.

Mr. **Haight**. Thank you, Congressman Perkins.

My name is Harold Haight and I reside in Grayson, Ky. I am presently serving as chairman of the regional advisory committee on vocational education. This committee is comprised of 34 highly knowledgeable and very active men and women representing business, industry, and labor throughout the region.

Vocational education in this region is very strong due to the fact that it has the flexibility to provide top-quality upgrading programs for both industry and labor. The trades department has the expertise to meet the needs of business, industry, and labor. And this expertise was recognized by business, industry, and labor, by their strong support of ever-increasing demands for more programs.

Also, a strong cooperative education program was also supported by the business, industry, and labor in this area. Educational training has a definite advantage for the labor market. It does reduce unemployment and it has a very positive impact on productivity.

It is very clear to us that America's stake in education is very high, due to many influences, especially on the national scene and our economy and our culture. And it seems to me if there were any truth to any statement, it is this: We are going to pay either for the education of youth or the ignorance of an adult.

Now what will it be? Tomorrow is the future we are preparing for today. We must plan well and be very aware that we could lose the substance by grasping at shadows.

The advisory committee strongly urges Congress to continue Federal aid to vocational education. It will have a very positive impact on our Nation's efforts toward economic success.

Chairman PERKINS. Thank you very much.

[Prepared statement of Harold Haight follows:]

PREPARED STATEMENT OF HAROLD A. HAIGHT, CHAIRMAN, REGIONAL ADVISORY COMMITTEE, ASHLAND STATE VOCATIONAL TECHNICAL SCHOOL

My name is Harold Haight. I reside in Grayson, Ky. I am serving as chairman of the Regional Advisory Committee on Vocational Education. This committee is comprised of 34 highly knowledgeable and very active men and women representing business, industry and labor across the region.

Vocational education in region 10 is very strong due to the fact it has the flexibility to provide top quality up-grade programs for business, industry and labor. The trades departments have the expertise to meet the needs of business, industry and labor and this expertise is recognized by business, industry and labor by their strong support and ever increasing demands for more programs. A strong cooperative education program is also supported by business, industry, and labor.

In region 10 vocational educational training has a distinct advantage in the labor market. It does reduce unemployment and has a very positive impact on productivity. It is very clear to us that America's stake in education is very high, viewed from every aspect, especially national defense, our economy and our culture. It seems to me if there were any truth to any statement it is this, we are going to pay either for the education of a youth or the ignorance of an adult—what will it be? Tomorrow is the future we are preparing for today. We must plan well and be very aware lest we lose the substance by grasping a shadow. The advisory committee strongly urges Congress to continue Federal aid to vocational education. It is a sound investment and will have a very positive impact on our Nation's efforts to economic recovery.

No Kentuckian should be placed at a competitive disadvantage in the national labor market by reason of deficiencies in the educational program at his or her place of childhood residence. Kentucky's young people should be free to choose their place of residence and respond to individual opportunities just as Kentucky's industrial and business recruiting programs seek to draw to the State the talented youth trained elsewhere.

Mr. PERKINS. Our next witness is Mr. Walter S. Taylor, Kentucky Electric Steel. Go ahead, Mr. Taylor.

STATEMENT OF WALTER S. TAYLOR, KENTUCKY ELECTRIC STEEL, ASHLAND, KY.

Mr. TAYLOR. Thank you, Congressman Perkins.

We have heard the term bandied about since the election of "economic recovery." And I fail to see how the Congress and the leaders of this Nation are going to pull off an economic recovery with a bunch of untrained, unskilled people.

The Ashland Area Vocational School has been very, very kind to the Kentucky Electric Steel Co. per se; 17 years ago Kentucky Electric Steel Co. was a cornfield. We have built this up into a company that now represents $50 million in sales. We are in the process of an expansion program with a capital expenditure of $22 million, which will bring this company to $100 million in sales.

We employ at this time about 456 people. The great majority of those people have come from the Ashland Area Vocational School, welders, machinists, secretarial.

They have been most cooperative in working with us as far as coming into our area and into our plant and teaching first aid, CPR, secretarial skills. It is something that we in industry just do not feel that we can do without.

Our company 2 weeks ago sent five of our employees to Japan to look at the technology in Japan. The technology in the steelmaking industry in Japan, gentlemen, is frightening. We do not compete at Kentucky Electric Steel with people in Kentucky; we compete on a national market.

We are moving right now to bring some equipment in because the technology is not available here in the United States. The Japanese, and if you will pardon the free shot, they do not have to contend with the bureaucratic regulations that are strangling our industry today.

Second, they are extremely high on training skilled people. There were times during our visit in Japan we would have as many as 45 engineers around us telling us about this piece of equipment.

I am approaching it more from a philosophical viewpoint because I do not want to get into too many statistics. But I can tell you that the economic recovery of the United States and this great Commonwealth, the State of Kentucky, and the county of Boyd, comes from places like the Ashland Area Vocational School. That is where the trained people come from.

As I mentioned in my opening remarks, there are three classes of people in the United States: There are those that make things happen, those that watch things happen, and those that wonder what happened.

Mr. Chattin and his group of administrators at the Ashland Area Vocational School are the type of people who make things happen. If you have got a need, they will work it out with you some way or another. They will get the training man out there to help you.

The answer lays before this committee and the Congress of the United States. In order to further the United States back into a position of world leadership, we have got to continue the advancement of the training and education of our citizens. That comes through the age of trained people.

I appeal to you not only as a vice president of Kentucky Electric Steel; I am also an adjunct professor at Fordham State University. And I do not see any way possible that we can turn this country around and get back in the mainstream of where we need to go without trained, educated people.

I thank you very much for your time and I appreciate being able to testify.

Chairman PERKINS. Thank you very much, Mr. Taylor.

[Prepared statement of Walter Taylor follows:]

Prepared Statement of Walter Taylor, Kentucky Electric Steel Co., Ashland, Ky.

Congressman Perkins, members of the committee, distinguished guests, and ladies and gentlemen.

It has been by observation in life that we, as a nation, seem to consist of three classes of people. Those that make things happen, those that watch things happen, and those that wonder what happened.

The vocational education system in this area is making things happen. As Mr. Chattin mentioned prior, there is a waiting list of 1,600 people who would like to attend our local vocational school. In a county with almost a 12 percent unemployment factor, this should tell us that these people are trying desperately to change or upgrade their job skills. The school is financially strapped now due to prior budget cuts, and it now finds itself facing further cuts. We can discuss the disappointment to the school administrators, but what about the disappointment to the 1,600 people trying to improve their skills in order to obtain employment. What do we tell these people?

Ever since the election, we have heard the term "economic recovery" used daily. Gentlemen, how can this country achieve the very worthwhile goal of the economic recovery of the United States of America with untrained people? My company sent five of our employees to Japan for 2 weeks. The consensus of opinion of that group was, the United States is in deep trouble. The Japanese are so far ahead of us in the field of steelmaking technology that we are now bringing them to this country to show us their methods and technology in the steelmaking process. This, gentlemen, is a sad commentary on the times. Don't forget, just 30 short years ago we were showing them the wonders of American ingenuity.

Kentucky Electric Steel is currently spending 22 million dollars on an expansion program to get into market areas where we do not have to compete with the Japanese. Simply put, we cannot compete with the Japanese. Why? It's simple, the Japanese do not have to contend with strangling bureaucratic regulations and most importantly, the have highly skilled and trained employees. Where are trained employees going to come from for future expansions of Kentucky Electric Steel? The answer is before you; they must come from a well-organized, well-run vocational education school.

In closing, I appeal to you, not only as a vice president of Kentucky Electric Steel Co., but also as an adjunct professor of Morehead State University. If we, as Americans, are seeking to regain our rightful position as the world's leader, this will only come about through the continued advancement of the training and education of our citizens. I wish to thank the members of the committee for allowing me to testify on behalf of the vocational education system. Thank you.

Mr. Perkins. Mr. Osborne, president of Kenco Associates.

STATEMENT OF DAVID OSBORNE, PRESIDENT, KENCO ASSOCIATES, ASHLAND, KY.

Mr. Osborne. Congressman Perkins and gentlemen, I think all of us at the table have welcomed you to our community. Unfortunately, I think perhaps we have the wrong people here.

We appear to have some sympathy on this panel with our troubles, and as I spoke with Mr. Harmon earlier this week, we had hoped to talk to the people that are going to make these cuts that are going to affect our community and try to persuade them to reconsider their position.

Perhaps we will have to come to Washington.

I think all of us think business, labor, and industry leaders are sympathetic with wanting to cut fat out of the budget. However, anybody that's ever been in a meat shop will find that you do not trim fat with a meat ax. You do it very finely.

We want to cut fat. But from what I have heard here today, we are seeing school systems feed people for a dollar per meal per person. It does not sound to me like there is very much fat in that kind of a program. I would think Mr. Stockman would probably find it very difficult to feed his staff as they are traveling around the country for a dollar per meal per person as they are reimbursed for their food.

There are a lot of local dollars in our local school systems, and the systems and the community looks very close at them. And we generally find that our primary and secondary education programs have no fat in them. They are always struggling to make their dollars go just as far as they can.

Likewise, in region X our vocational schools have a waiting list of 2,000 people. That does not permit us to have a lot of fat in our school system training people for vocations. When you have a waiting list of 2,000 people, you have got to spend your dollars very efficiently and make them go just as far as you can. And they do not go very far right now.

We do not teach any frivolous programs in our school system. You cannot take chocolate making. You cannot take basket weaving. And as I listened to TV this morning, I understood that there was one college that was going to have a class for the kings, I think. It was going to teach you how to bet on horses. You cannot learn how to bet on horses at the Ashland Vocational School.

There you learn how to build houses, how to build facilities, how to weld, how to fix diesel engines, how to do things where you can earn a living. We are not out there just teaching homemakers and people that do not have anything else to do what they can do with their spare time. We are teaching people to enter the work force.

We all are supportive of reducing personal taxes to a certain extent, I think, or perhaps making incentives for investment. If we do this, we are going to find that it will not work if at the same time we cut the work force, the trained work force that is required to make these investments.

You cannot encourage Ashland Oil to build and spend millions and millions of dollars on a reduced crude facility and then take away from them the people that are going to build it and operate it. You cannot encourage Armco to spend $90 million on a new continuous caster, which they have announced, and take away the work force that can build it and maintain it and operate it. It will not work. It will not work.

We already see a turnaround in our business and we are looking for people. And we are having difficulty in finding, in my business, trained carpenters, trained draftsmen, trained people for those kind of jobs. They are just not out there.

You cannot call the unemployment office and find a skilled laborer. The first people to get on unemployment are the unskilled people. So the fact that we have 11 percent unemployment does not mean that we have the skilled people around that are going to do all these things that the administration wants done. It simply will not happen that way.

We need to spend our dollars, I think, if we are looking at education, first of all on the people that are closest to being able to get a job. And this is people coming out of high schools that need a year or so of vocational training to become a productive individual in our society.

We have already seen, they will pay their taxes, you will get your money back in a year. It does not take 15 years to get your money back; you get it back in a year by the taxes that individual pays. And if you consider all the side benefits you might get it back in less than a year, because they will not be on welfare, they will not be on unemployment, they will not be on the other programs that we are having to sustain these people because they are not trained and they cannot get a job.

Second, we need to spend our money on things that are going to help the administration achieve its objectives, and that is to provide the labor force out there to do the things: Expand industry and provide the jobs and get the people off the unemployment.

This program has a lot of good local support. If there had been a big announcement in the local newspaper that you were here and the public had been invited, you would have had to have this hearing in the armory or one of the football fields or somewhere. You know, we could have had 2,000 or 3,000 or 4,000 people in here to tell you how we need this program.

Looking around the table and we have right here all the local business and labor leaders jointly supporting the plain folk, one of the few times that you can ever get a business and industry leaders to agree with the labor leaders on a subject.

We are all for vocational education. We are working for it together. It is good for the area, it is good for the labor, and it is good for industry, and it would be good for this Nation as a whole.

I sure hope that we do not interrupt these young people's opportunity to vocational education, because it is going to be antiproductive and it is going to be anti exactly what the administration is trying to achieve. They will not achieve it by cutting vocational education.

Thank you very much.

[Prepared statement of David Osborne follows:]

Prepared Statement of David Osborne, President, Kenco Associates, Inc., Ashland, Ky.

Gentlemen: The purpose of my presence here today is to ask that Vocational Education continue to receive adequate funding to enable our system to maintain or increase the training of our work force. I am sympathetic with the current administration's desire to balance the federal budget and to improve the economy of our nation. Vocational Education for our young people, and programs to upgrade skills for other members of our work force are good investments that contribute to the administration's objectives.

I am a businessman from our local community, with interests in consulting engineering, construction, real estate, and energy. Our employment varies from sixty during bad times to over one hundred during good times. We utilize all types of labor commencing with unskilled laborers through PhD-degreed engineers. As we add employees, which we are now doing, we always find that locating skilled labor is the most difficult.

When setting priorities during economic hard times, one needs to consider investing in the areas of education that: (1) Trains people that are closest to entering the job market; (2) Provides a good return for the investment; and (3) Helps satisfy the basic objectives of the economic plan for recovery.

Vocational Education is not a long and drawn-out process. Vocational training is so geared to permit an individual to acquire a skill and enter the labor force with two thousand hours or so of training. Generally, this training can be acquired within a year's period of time.

Vocational training provides a good return on the taxpayer's investment. The cost of the Federal government to train an individual in one of our local facilities would be on the order of one to two thousand dollars. When one considers that this training increases an individual's earning potential from eight to ten thousand dollars as an unskilled laborer, to eighteen to twenty thousand dollars as a skilled craftsman, then considering the increased Federal taxes this individual will pay, it can be readily seen that the Federal government's investment is paid back within a year or two. In addition, this training often relieves the individual from requiring assistance under the various welfare programs, improves his or her self image, and generally contributes to the economic well-being of our nation.

Vocational Education also satisfies the basic objective of enabling unemployed individuals to become employed, which is the administration's prime goal. As personal tax rates are reduced, and various investment incentives are made available, our nation will suddenly find itself searching for a skilled labor force as the economy starts to expand. Vocational training leads to a more efficient work force which helps our country compete in the world market. In addition, our area is located in what is sometimes referred to as an "energy valley". We mine coal and we produce electrical energy. We refine crude oil into various fuels and chemical products. As we build power plants, increase refinery production, and increase the production of coal, the availability of an adequately trained labor force will be essential.

This need has already been observed by the industry and labor leaders in our area. Our program has the full support of all of these people, which is demonstrated by their continued contributions to the program and their sincere interest in its well-being.

Continue our funding so that we can do our part in rehabilitating our country's economy.

Thank you.

Chairman **Perkins**. Mr. Qualls with National Mines.

You are representing him today, are you not? Identify yourself.

STATEMENT OF JUNE HACKWORTH, PERSONNEL REPRESENTATIVE, NATIONAL MINE SERVICE CO., ASHLAND, KY., ON BEHALF OF J. QUALLS, MANAGER, NMSC

Ms. **Hackworth**. Mr. Qualls is sorry he could not be here. I am June Hackworth, personnel representative with National Mine.

I do not have a prepared statement, but I do think everything that I would say or Mr. Qualls would say for National Mines about vocational schools would be agree with what has been said. And following what has just been said, I do not think that we could say it any better.

We have worked with the vocational school, and I myself have worked with them for the past 10 years in placing welders and mechanics, draftsmen, electricians, and secretaries. And they do a fine job of training and with the basic initial training that they get from the vocational school, we can train them from there on the job.

And we have these students that learned at the vocational school and I think some of them who have been there in the past 10 years start as helpers and move all the way to first class in their classification and go on to be supervisors in our plant. And I think that is great and that is what we have going now.

And I am also on their regional advisory committee. And believe me, they have stretched the budget as far as they can and any additional cuts in the budget will be felt in the classroom.

Thank you.

Chairman **Perkins**. Thank you for a good statement.

Mr. Clark of the District Labor Council of West Virginia.

STATEMENT OF RICHARD HALE, MANAGER, TRI-STATE MARKETING, ASHLAND PETROLEUM CO.

Mr. **Hale**. Congressman Perkins and gentlemen and ladies at the desk: I apologize for Mr. Clark not being able to be here, but he must testify today in Charleston at the West Virginia Legislature.

My name is Richard Hale. I am manager of Tri-State Marketing, a wholly owned subsidiary of Ashland Petroleum Co. I have the distinct honor of being allowed to serve on two vocational school committees, not only the one in the Ashland area on the local division or department, but also on the one in Huntington or Campbell County as a member of the official advisory committee, and also the one on special education, on which I have served for the past 6 years.

To reiterate one thing that Mr. Stevens had mentioned further, I am the proud recipient and manager of the young man that he was telling you about.

I was approached by the Ashland Oil employment department approximately in 1974 to determine whether or not I would be willing or would like to serve in the cooperative education program of the Ashland area school. At that time we sat down and had a discussion on it and it was determined, based on our needs as an employer, that we could use two of the students per month.

So at the present time, since 1974, I have had on our program from the Ashland area school four students, two per month on training, two per month in school.

We are a very unique company in the United States and possibly the only one as such, if I may say just 1 minute, sir, in that we rebuild all service station equipment that Ashland Petroleum Co. uses. Unlike other companies, we feel that we can take a used piece of equipment and renovate it and put it on the market with a consumer account, retail store account, at half the price of the new one, thus holding down the cost of maintaining the stations that Ashland has.

In this I presently have 36 employees. They are mechanics, carpenters, electricians, specialists in solid state equipment, and also the body shape, and also in the paint business. We will renovate a piece of equipment and will put it out looking like new.

In the past 11 years I have been the manager of this company, and since we have gone in with the program, with the cooperative program with the Ashland area school, I would say that better than 60 percent of my employees who I have had to replace due to transfer or attrition, it is almost a mandatory requirement, it is not as such, though, that when the applicants come to me they are a vocationally trained individual.

I do not have the luxury of having the time that it would take to train an individual on a one-to-one basis, which we have worked out that it takes possibly as high as 6 to 9 months on a one-to-one basis to teach these young men and women their skills that they must pursue. This is a luxury that none of us can accept.

Vocational education to me has the end result, as the user of vocational education, means two things: One a young person comes to me looking for employment, he has been taught two things: No. 1 is a skill; No. 2 is work habits. These two things that, as I said before, I do not have the time or the money to go into on a one-to-one basis.

Another area that I am permitted to serve on and I will go into is Campbell County. We will presently move into a new facility, hopefully in September of 1981, which has been about 11 years coming to pass.

Prior to that we had two schools. We had a postsecondary, which basically was the adult education program and very limited on the cooperative program, excuse me, on the vocational school program which was the secondary. There are four high schools which go into the vocational school; two go in the morning and two go in the afternoon. So needless to say, it is really complicated.

In addition to that, I am in the special education cooperative. It handles education and the training of the mentally retarded, who we have worked with now since the onset of it in a special school, which are now being mainstreamed into our vocational system.

We are taking these young people from an individual program with the parents and the teachers, and they are now becoming a mainstream student and going to school with students in their own age groups and their own classes for the first time in Campbell County in many years. They are learning two things: They are learning to become a social member with their fellow students in the environment they are growing up in, plus they are learning on a limited amount the skills which are making them a productive taxpayer on our society.

I apologize. As a stand-in at the last minute, I do not have handouts. Congressman Perkins does have the presentation. The last thing that Andy told me last night is one of the programs that was instituted in Campbell County in the last 3 months. With the closure of Armstrong Products and Zudai Industries and the reduction of employment with the Owens-Illinois Co., we now have the capability of retraining the members of the payroll of these three corporations who have been reduced and are on the unemployment rolls right now.

We have the capability and we will work with the industry in the area on a 24-hour basis, and our instructors have said that they would dedicate themselves to working day shift, afternoon shift and night shift in order that we may retrain these individuals and put them back into mainstream employment.

My pleasure to be here to testify.

Chairman PERKINS. Thank you very much for a good statement.

[Prepared statement of Richard Hale follows:]

PREPARED STATEMENT OF RICHARD HALE, MANAGER, TRI-STATE MARKETING SERVICES, INC., IRONTON, OHIO

Congressman Perkins: I appreciate the opportunity to appear in behalf of Vocational Education. I have served as a member of the Cabell County Public Schools Vocational Advisory Council for the past 3 years. Prior to that, I was a member of a special advisory committee dealing with vocational education for the handicapped students.

I am greatly concerned about the proposed federal cutbacks for vocational education. A majority of the vocational graduates in our area go to work in small business and industrial operations. The well trained vocational graduate is a necessity for these smaller companies. They do not have the resources or time to train entry level workers. Many times these vocational graduates return to the Vocational-Technical Center evening adult skill training programs that they can advance to better jobs.

A Federal cutback would be very harsh for the smaller companies trying to make ends meet in the these difficult times.

Lately, there has been such a great deal of discussion concerning the revitalization of American industry. I agree much effort needs to be given to that endeavor. However, if industry is to be truly revitalized the work force must also be revitalized. There is no better way than through improvement in vocational training for high school and adult students.

With revitalization of industry, comes the reorganization of the work force. Many workers will see their present jobs terminated. Vocational education has been playing a tremendous role in re-training these individuals for new and different employment. Our own Vocational-Technical Center is currently working with employees released from Owens-Illinois, Houdaille Industries, Armstrong Products, and several others. The proposed cutbacks would greatly hamper this service to our community.

Another concern deals with "exceptional" students who greatly need special vocational preparation so that they can become working, contributing, taxpaying citizens in our community. Funds must be available for vocational guidance, training and placement. It does cost more to prepare these individuals for their rightful role in society.

In closing, I must say that it is inconceivable to me to even consider reducing the appropriations for a necessity such as vocational education.

Thank you again for the opportunity to express myself.

Chairman **Perkins**. Mr. Howard Crabtree with the carpenters.

STATEMENT OF HOWARD CRABTREE, MILLWRIGHTS AND CARPENTERS UNION

Mr. **Crabtree**. I am Howard Crabtree, with the Millwrights and the Carpenters Union. I serve on the joint apprenticeship committee and we oversee about 220 carpenters and millwrights in various vocational schools.

Primarily, I use the Ashland Vocational School for training facilities for my members. I have 54 millwrights in the Ashland vocational school system at this time. I have trained my people for about 18 years in the Ashland vocational system.

I can speak well of the quality of people that come out of there in that each year we hold a contest nationally and statewide with the trainees from the various schools. For 13 years we have participated in that, and for 8 out of 13 times a trained apprentice from my trade from Ashland Vocational School has picked up first place in that. Four of those times we have picked up a second or a third place, and one time we did not place at all, which is probably immaterial as far as the hearing is concerned.

But I would like to say that a break in training or an elimination of the program would have a serious effect as far as training of our people is concerned, in that we supply people to Ashland Oil, to Kentucky Electric Steel, to the chemical plants and the power plants in this area, to maintain and erect their facilities.

It is not easy to train a millwright. It is not easy to train a carpenter. I personally do not think the training periods are long enough. We have a 4-year training period and we graduate some every year.

I hate to see breaks in programs come up, because I was a product of a break in a program back in the early 1940's when we had the NYA. Some of you probably remember when the National Youth Administration was out. We had a small program in our high school. I got out of that program. And at the same time we were in that program we were also in the National Youth Administration program.

So one day they closed it down. It was not there any more. They shut it up and they tore the building down.

I think what Ashland Vocational School originated from was probably an old building of the NYA, if I am not mistaken, down on Winchester Avenue.

Well, I was in a break in that service, in that training. And I thought, well, the only thing else for me to go to was to go to the service. Well, they sent me over to the South Pacific and I found out I had made a mistake. I felt like I wanted to be a construction worker when I came back and I have been ever since. The military was not a career for me.

But to make a long story short, I contacted Charlie Chattin 18 years ago and started an apprenticeship program. That apprenticeship program has blossomed today, from 4 people originally to 54 current millwrights. Those millwrights are nationally recognized. This school is nationally recognized as one of the best training facilities in the country.

If the school program is cut out, I do not see where the labor unions have the finances to establish schools such as it takes to train the kind of people that industry needs.

Second, if Ashland Oil and Armco and Kentucky Power and Kentucky Electric Steel and the various industries that are already here will probably stay. Whether or not they will expand without the trained forces is something else. But what concerns me even more than that is we are always looking for new industry, and will new industry locate if they do not have a good trained labor market to rely on.

I do not really see how construction as far as technical people can supply the needs of industry if the training is cut off. Now we do subsidize in materials, in that each man, as he is trained in that program and goes to work, turns back two cents of his wages into our program, to be turned back in kind to the vocational schools for supplementing materials, for the use of carpentry materials, millwright materials, welding rods and this kind of thing.

We feel very proud of the Ashland vocational system. I service an area that probably encompasses the eastern one-fourth of Kentucky, part of West Virginia, and the great majority of Ohio. I have chosen this school because I think it is the best school in the area.

Second, to give one more plug to this school and refer back to the contest that we had and the quality of people turned out of it, we recently held a contest back in the summer in Toledo, Ohio, among all of the people of Toledo, some of the overlaps from Michigan and Indiana and this area, this tri-State area: A carpentry contest, a millwright contest, and a cabinetmaking contest.

And we walked away with three first places, and it has never been done. So this is one of the most qualified schools, best training schools in the Nation. I do not think it needs to get cut.

That is all I have.

Chairman PERKINS. Thank you very much.

Before we commence the interrogation, I want you to keep in mind one thing; the proposed cutback of 25 percent. First the Reagan administration stated they were not going to cut back on vocational education. They later changed their minds and came up with this 25-percent proposal.

I believe if we cut, it should be done equally across the board. But under the administration's proposal, a small portion of the programs are really getting it in the neck—school lunch, vocational education.

One member on the panel, Mr. Taylor, referred to what the Japanese were doing. They have terrific training programs over there. They have modernized all their plants and equipment. And the competition in this country with Japan today is throwing hundreds of thousands of people out of work.

And I just wonder how industry can expand, as Mr. Reagan has announced, without skilled workers. The President wants the industries to take charge of all these training programs and do this job. But under his tax proposal for industry he provides for replacement of equipment, but not for modernization of your entire plant, which in many instances needs to be done to compete with the Japanese. And I just wish he had gone that far.

If he had expected the economy to expand, the incentives are not there today in his present tax proposal.

But be that as it may, there are not cutbacks in foreign aid. I figure that we could easily get along with $2 billion, with $6 billion already in the pipeline. No cutbacks in the public works overseas. There is $1 billion in growth in public works overseas.

And we have made so many foolish cutbacks. Take the lake. What should be done in 1 year, clearing out the damsite, is proposed to be spread over a 3-year period in this budget, and it is going to cost so much more money.

You know you are not going to get any money from the State, and I doubt whether any of your local communities and you industry people and union people can pick up the amount of money that is being taken from you by the Federal Government.

Do you feel that this 25-percent cutback, considering those factors, is false economy? And what do you think the results would be if this proposal were to go into effect insofar as reviving the economy, as the President wishes to do. He has stated that on several occasions. I heard him make that statement.

Do you feel that this 25 percent cutback is entirely unjustifiable and the President is wrong in requesting this 25 percent cutback? I am goipg to start with you, Mr. Jeter and Mr. Stevens, and go all the way across the panel.

Mr. JETER. Yes, I do think the cutbacks are unjustified, because, as I said in my statement, as we hope the economy expands and job opportunities become available, we have heard the labor leaders and other business leaders say, we hope there will be more job opportunities as a result of expanded industry. If the training drops down, you have less qualified people for more jobs.

To me that is equivalent to building a big automobile with no gasoline to run it, and I do not see how it is going to work at all.

The truth of the matter is, in my opinion, that right now, and I think other representatives have borne this out, we are not training enough industrial people now. We are unable to meet our need now. And I think that our two labor leaders that were here today have borne that out.

But if we are going to have an expanding economy, we must have expanded training. We cannot maintain the status quo. I think that we do not need less; we need more vocational training.

Chairman PERKINS. Thank you very much.

Go ahead, Mr. Stevens.

Mr. STEVENS. Thank you, sir.

I have to concur wholeheartedly with what Mr. Jeter just said and what the other gentlemen on this this panel have said already. I am afraid that if we do anything or anything is done to lessen the effectiveness of the training, of vocational education in the United States, we will be in more dire straits than we are in right now. Because with the economy as it is in our local area, with the numbers of people that we have coming into our employment office seeking employment, and those numbers of people, the majority, are untrained and unskilled, and what we are looking for, we simply cannot hire them.

We need more training. And to think that by cutting vocational education it is going to help the economy, it is going to help this nation get back on its feet, I am afraid is a serious mistake.

You cannot, you cannot lessen the effectiveness that we have reached in our vocational education at this point. You simply cannot do it and sustain ourselves in industry.

Thank you.

Mr. **Napier**. My expertise is not necessarily in economics, but as a personnel manager for a large company that is concerned about the quality of its applicants, the quality of its skilled employees, and the service of the Ashland Area Vocational School to Armco in Ashland. I most certainly can say that if we get the 25-percent reduction, we will be affected across the board at the Ashland Area Vocational School.

It would have tremendous impact, not only on Ashland Armco, but on the economic community in the tri-State area. The school is presently operating on a reduced budget, with restraints on physical expansion which has been needed for several years. It has a 1,700 waiting list just for secondary education, with nearly an 800 waiting list, I think, for adult education.

If, under present operating conditions, they have this type of backlog, then obviously a 25-percent cut is going to impact that. Most obviously, the services and programs that we as an industrial concern in the community I would have to assume would have to be reduced at least 25 percent. We feel this would be most definitely detrimental to the economy and to industry in general in the tri-State area.

Chairman **Perkins**. You have seen nothing in the tax package that would give Armco an incentive to rebuild and modernize plants, and to build new plants. Now, there are provisions for replacement of equipment. But as far as tax incentives and write-offs for building new plants so you can expand, you have not seen that proposed yet, have you?

Mr. **Napier**. No, sir, we have not. We are still looking.

Chairman **Perkins**. Go ahead, Mr. Harvey.

Mr. **Harvey**. I believe, Mr. Perkins, that you cannot have too much training. And I think that if these proposed 25-percent cutbacks go into effect, the effect is going to be that if the economy does improve and that if we do not have individuals available at that time with the proper training at that time when the jobs are available, then I definitely feel that there will be a mistake.

It would appear to me from the colloquy yesterday with the gentlemen that you are just killing the economy. You are asking people to carry all the burden and not giving any incentives and writeoffs to construct new plants, just enough to replace equipment.

Chairman **Perkins**. All right. We will go ahead now to Mr. Ellis Harmon.

Mr. **Harmon**. Congressman Perkins, I believe most of us recognize that the mood of the country is to cut, cut the fat. We heard a lot about the mandate. Now what we are talking about here is cutting program that do have importance. They are important to the economy. They are important to the economic recovery.

Now, when you talk about the mandate, I do not understand cutting programs such as vocational education, school lunch programs. And I could go into several other programs, and I could certainly go into some political philosophy about this thing, too.

But by the same token, I do not believe that that should be included in the mandate to cut across the board. I personally do not want my taxes reduced in order to cut programs that do have the importance of vocational education and school lunch programs and so forth. I do not want my taxes reduced for that purpose. I do not believe anybody else does.

I believe this is just some kind of a situation whereby that there is a general trend and a mood and a mandate in the country to cut everything out. I do not believe that that is the case. I do not believe that the American people want their taxes returned to them, for crying out loud, to cut out programs that are important, that have merit.

These vocational programs, we cannot do without a vocational program in the area. I do not believe we can do without the school lunch program in the area. Certainly you can have my taxes for the school lunch programs and for vocational education. These programs are important.

What concerns me is this, it is your side of the Congress I believe we have a shot at it. On the other side I do not believe we do have a shot to stop the mandate to cut these programs that are important to the United States of America, that will permit us to get on with the economic recovery.

I am 1,000 percent for the tax incentives for business. I recognize they need things. As far as personal income taxes are concerned, I have not heard a single individual, I have not heard a single individual say, I will be glad to get my taxes back. Cut out all the fat.

I have not seen any fat in the vocational education program. I have not seen any fat in the cutting of the school lunch program.

There should be some compassion here on the school lunch program. I have discussed the school lunch program. I do not want to take too much time. I just want to make a few of my thoughts and my philosophy known on this thing. I discussed the school lunch program with one individual. He asked me about it. He approached me on the school lunch program.

I said, I do not want to discuss it. As far as I am concerned, the school lunch program is an excellent situation. I do not want any child coming out here to school to be hungry during the course of the day. I do not need my tax dollars back if they cut programs such as that.

And we must maintain our training facilities if we are going to make the progress that we need to make in this country.

I thank you very much, Congressman Perkins.

Chairman **Perkins**. Thank you.

Mr. **Haight**. Congressman Perkins, I would just like to concur with what has been just stated. I would rather not have a cost cut in these programs, the school lunch program or the vocational education program, if we are talking about it now.

As for the effects that we are going to suffer by a 25-percent reduction, it would just mean that it would also affect the rehabilitation and the retraining if those people that have been replaced, so they can learn a new trade. They have nowhere to go.

Getting back to the students, many of them will not be able to attend college, either financially or academically. And thus vocational schools provide training that will train these students in a trade which will sustain them in their future survival and they will become part of our society.

I cannot help but feel that if these cuts are made that we are on the threshold of what I would call social dynamite. They are false economies. They will have a negative impact on our local economy and also on the national economy. That is my personal concern.

And I thank you for the opportunity.

Chairman **Perkins**. Mr. Taylor.

Mr. **Taylor**. Congressman Perkins, as I mentioned in my statement, we are in the process of going through an expansion program right now even without the tax incentives. We have to to survive. It is that simple.

And if you gentlemen have had the, I do not know if you would call it a pleasant task or not of building a home and knowing the confusion that reigns supreme, and you can imagine building a $22 million home. We simply do not have time to begin training programs at Kentucky Electric Steel.

All of these by definition, we are a small business. Therefore, we do not have the capital to maintain the training staffs in house. We are definitely reliant on the Ashland Area Vocational School and its staff to assist us in training our people. And as long as those trained people are available and as long as we can hopefully get some tax incentive out of it, we are going to continue expanding Kentucky Electric Steel Co.

So with the 25-percent cut coming along, and having talked with Mr. Chattin, worked with Mr. Chattin at the school, I do not see any way feasible that we can.

Voice. This area is looked to to produce a lot of the energy through coal. Well, I am from Jenkins, Ky., which is about as close to the heart of the coalfields as you can get in Kentucky. We are trying to export coal. If we cut out training and put people back to mining coal with picks and shovels and donkey-drawn carts, if that is the cheapest way to mine coal, then the cuts are a good thing. If we can mine coal cheaper with mechanized equipment and bulldozers and loaders and diesel-driven trucks and continuous miners, then it is false economy.

If Kentucky Electric Steel and Armco and Ashland Oil can build these proposed projects which they have estimated at 22 and 90 and umpteen-million dollars, cheaper with unskilled labor than they can with the skilled craftsmen that are provided by Ellis Harmon and the other people here, then it is good economy to cut out the training programs. But if we think that all we are going to do is get an investment tax credit and depreciation, so they can pay more to have us build by unskilled labor, then we really have not gained anything. We have just gone around in a circle.

That $90 million program just became $110 million and we are going to need all the depreciation and credits they can get if they are going to try it under a situation like this. So if the whole theory is that unskilled people can do things better and more efficiently than skilled people can, cut out the vocational programs.

But if we can do it better with trained people, then I said we had better, I would say we have got a bit of false economy here if we think we can cut 25 percent vocational training and do a better job and compete better in the world market.

Chairman **Perkins**. Mr. Qualls?

Mr. Clark.

Mr. **Clark**. Mr. Perkins, I grew up in an era that work, if you were fortunate enough for it to be available, was good. During the late 1950's and early 1960's, we saw the advent that every child that graduated high school, the pressure was to go to college. During this period of time, the 1960's, especially the early 1970's, we saw a slight demise or whatever you might call it in the skills of doing with your hands.

I was fortunate to have a man tell me, a man I knew with three children, he said, you can get an undergraduate, you can get a bachelor degree, you can get a doctoral degree and you can be a Rhodes scholar. But if with brain you cannot tell hand to pick up hammer and nail and drive it, what good are you?

I think that with the proposed cutbacks in vocational education that we have a slight group of people who, and I know myself as a project engineer, three or four people can design the most magnificent structure that was ever designed. But they are not able to build it.

And I think we, based on what we have heard here today and what the proposals are in the proposed budget this year, I think we are missing the boat. And if we continue to go down the same route we are and look at the cutbacks, there will not be any expansion of the programs we have heard here about, not only here but throughout the United States.

Chairman **Perkins**. Thank you very much.

Mr. Crabtree.

Mr. **Crabtree**. I think we heard some figures not very far back in the testimony, prior to this one, that there were somewhere around 2,000 to 2500 people on a waiting list at the Ashland Vocational Technical School. I do not know how that shapes up with other schools.

But I talk quite frequently with Charlie Chattin, and I go over there at least three out of four Saturdays, because that has been our school so long. And Charlie indicates to me that there is a need probably for a doubling of the facilities that they have got there, an expansion of 100 percent.

I think that 2,000 or 2,500 people, whatever it is that is on the waiting list, is just a figure of people who are willing to wait on that list in order to be trained. I do not think it is indicative of the people who would like to be trained, who have desires to learn a trade. So therefore a 25-percent cut will not only wipe out some programs, but discourage people who are on those waiting lists, where by an expansion out there, I would venture to say if it was doubled you would still have a waiting list of quite a significant size.

And that is the hunger that is in this area of people to be trained to get into the skilled professions. If we could just train those people and put them into the skilled professions, put the technology in the minds so that the minds can tell the hands what to do, and we would not have to go to Japan to get our technology, we would not have to go out of the country to get it, and our jobs would not be going out of the country by import products coming in and taking away American jobs.

I think the heart of American jobs begins with vocational and technical education, and it needs to be expanded into industry where industry can expand and give the jobs to our people who make the products that they need. I do not think we need all these foreign products. Maybe we need a foreign trade relationship, but we have got the technology here. We have got the facilities to train them. Let us not cut.

No, I do not think 25 percent should even be thought of. I think it should be an expansion instead of a cut.

Chairman PERKINS. Mr. Petri.

I would just like to say that I think we up in Wisconsin feel a kinship in the vocational education area with the people in Kentucky, because we regard ourselves and you here as both leaders in the national area. You go to some parts of the country and people do not really know what we are talking about when we talk about vocational education.

But I just wondered what you would say, as a reaction to the point of view a lot of the people back in my part of the country have. We are about 50th in the 50 States, or at least down right near the bottom, in terms of the return we get when we send money out to Washington. We think we are 50th. Maybe someone else can beat us.

We supported and we had a vocational education system before the Feds got into it, if the truth were really known. And we figure that we are going to support it in the future because it pays off. We had 90,000 new jobs in Wisconsin in just the last couple of years, while the rest of our region has been dropping. And we think it is due to our vocational education system and to low taxes on business. We tax the devil out of individuals in Wisconsin, but we do not tax business.

Now we are talking about cuts of $145,000 in one region, $150,000 in another. So I wonder if there is any merit at all to the idea of leaving the money in the area where people can support vocational education through their State taxes and through their local property taxes—and maybe do a better job than sending it off to Washington and getting it back with a lot of regulations and inefficiencies.

I do not know. Maybe they aren't in your region. But that is the way a lot of folks back home who care very deeply about vocational education are thinking right now.

Is there any reaction?

VOICE. I will react, I guess. If you want to put in a program and say, OK, we are going to cut out Federal taxes 5 years down the road Governor Brown and our legislature can add some new taxes that will take up that slack and put them in vocational education. It might have some merit to it.

But do not take our dollars to Washington to do that with, and do not do it in years when we cannot do anything about it. Kentucky, like a lot of other places, has a lot of constraints on what you can do with taxes. You know, we just cannot go out and say all of a sudden, OK, folks, send us 10 more percent this year. It is not quite that simple.

It takes time to get these taxes, get them into the system and get them done. The fact of the matter is, Charlie Chattin trains people here that we export. We are exporting labor out of this area. We send them down to the shipyards and we send them to Michigan.

You can get on this bridge on 13th Street and on Friday night, when the auto industry was going, half the people coming across came from Detroit. You know, they do not live in Michigan. They go up there, they work, and then they come back down here on the weekend, and then they go back up again. And that has been going on for years and years and years.

You know, we are trying to get some industry in our area, and when we can train our people and keep them here and put a string on them, keep them out of Michigan and out of the shipyards and everything, that would be a good thing. But labor moves around.

And part of it is a Federal responsibility, I think, to train some of these people. I think you have some responsibility. If there is anything to be said for the Federal Government, you need to do something once in a while, and training is part of it.

If we give you Federal dollars, you need to help us out. We are not asking you to fund the whole program. You are only funding something like 15 percent, if the number was right today. And you are trying to get out of that little bit of it.

And the States, you know, you are cutting the money that goes through the States through some of these other programs, that they used to give us. You are taking it away from the State and taking it away from us, too. We do not know where to go to get it any more.

You know, it is just gone. Kentucky has an income tax. We tax our people. We tax our corporations. We tax their property and anything else we can put a tax on.

So I would say, you know, is it easy to shift it around? It would be, given some time and given a mandate that that is what we are going to do across the board. To start with everything next year, you know, 25 percent less, and get economic recovery in the meantime, is foolish, it is crazy.

Chairman PERKINS. Mr. Hawkins.

Mr. HAWKINS. I do not have any questions at this time, Mr. Chairman. But I would like to state for the record that I feel that the committee is privileged to be in the area today to listen to a group of individuals such as we have as witnesses.

I think it has been said, that those who testified today are not the witnesses who usually come to Washington, and it is just unfortunate. I think that you should be commended, as the chairman of this committee, for having persuaded those of us who did come out here with you. I am sorry you did not persuade some of those who need this education the most. But in any event, I think that we have benefited from it.

I cannot help but make the observation that those who are advocating these cutbacks in vocational education and the school programs and so forth are also the ones who are advocating that these hearings not take place, because they are going to cut back on committee budgets to prevent you from encouraging members to even come out to listen to the people, if they have their way. And this budget cutting is going to go all the way.

It is going to affect all of us, and eventually it is going to prevent, I think, the American people from expressing themselves as I have heard them express themselves today.

I cannot help but believe that if we were in my State or if we were in Michigan or in Wisconsin, the people would be saying precisely what we were listening to the people saying here today. And again, I want to express appreciation for you having persuaded some of us to come out, so that we may have the privilege of listening.

Chairman **Perkins**. Mr. Kildee.

Mr. **Kildee**. Thank you, Mr. Chairman. You were very persuasive, Mr. Chairman, in convincing me to come down here, and I am glad I did. Because I have been deeply impressed and motivated by the knowledge and sensitivity of this panel regarding these programs.

I am certainly going back to Washington carrying the gospel which I heard enunciated very well here today.

I have always felt that funding programs like this, which really lead to reindustrialization and modernization, is not the cause of inflation. As a matter of fact, if anything, it helps to improve productivity and decrease inflation.

I cannot understand the thinking behind these cuts. I will carry back your enthusiasm, your sensitivity and knowledge to Washington.

Thank you very much.

Chairman **Perkins**. Let me thank all of you, the lady and gentlemen who appeared on the panel. I feel that you have been very helpful.

We got caught in a bind last year by a half a billion dollar cut on the school lunch, but we were able to hold fast to our budget on vocational education. We were not cut back any.

I do not know whether, on the reconciliation with the Senate, we can force them to cut back less than 25 percent. We may well. But if we rubberstamp what the administration is proposing to do, vocational education will be cut substantially, the school lunch will be cut 45 percent, CETA will be eliminated, youth programs will be eliminated, elementary and secondary education for all intents and purposes will be destroyed, student assistance programs will be cut.

We will resist these cuts, and we are delighted to see you people here in my district that I am privileged to represent, coming out and sharing your viewpoints with us. And I personally appreciate it. Thank you.

The next panel will come around. All right.

Excuse me, for not shaking hands with all of you today. We have got 50 or more witnesses. But come around, Charles Mullins and Edward Stevens. I take it you are representing Superintendent Jackson. Come around and we will hear you out now. Go right ahead.

STATEMENT OF CHARLES MULLINS, GREENUP COUNTY, KY.

Mr. MULLINS. The statement that was made here before, we have the statement that Mr. Osborne made a few minutes ago, I think we would agree 100 percent with. If cuts were to be made, we feel that they should be made at a certain date in the future so that the legislature could take cognizance of that and have a chance to adjust in that manner.

I would personally like to make a statement concerning vocational education with a slightly different effect, perhaps, than Mr. Chattin and some others. I am at the secondary level in Greenup County, a high school with approximately 1,470 students; 800 of those are involved in vocational education.

We see a lot of articles in newspapers today and certain magazines which tell us that private schools, technical schools and other people, industry, can train people. We realize that of the programs that we have, that many of these people will not go into these specific jobs as soon as they finish secondary school.

At the present time Mr. Chattin operates for us an extension center, programs in welding, drafting, horticulture, two different types of business and office programs, auto mechanics, industrial electrician, building trades. We have approximately 241 students in that program. We have more people in the regular agribusiness program at the high school, in industrial educations and home economics.

In the agribusiness programs, those graduating in recent years have been placed approximately 73 percent in that field. We have two different home economics programs. One is child care and child services, and the other is clothing. In the child care services we have only placed slightly less than 50 percent. Between 45 and 50 percent have been placed in related industries. And with clothing 75 percent have entered that field.

But our feeling is this. When I grew up back in the 1930's we had different types of lifestyles and we could go out and find work, even though it was depression time. My observation is that I had an easier time finding part-time jobs and work to do and things to occupy my time than my own children have had recently, because there was not the child labor laws and the minimum wage laws and the various other restrictions. Also, there was not the mechanization in agriculture.

Our people, for example, my family, these young people growing up today and the adolescents, they are not allowed to get out and find work. And we need to find things for them to do constructively to give them self-esteem and to train them for the world of work.

Personally myself I am not a farmer, but I am a product of a vocational agricultural program in high school in the 1930's, and I think it was the best program that I ever had to prepare me for life in the military and in civilian life, because it took the child from a three-room shack in the hill and the holler, and taught them how to stand up and talk in the FFA and gave them training hands-on with tools and how to do things which could be used wherever I went. These are the things we are talking about.

But we have approximately 60 percent of our children, as I said, involved in vocational training. Now, to me they are learning something about the world of work. They are learning what is expected on the job. They are learning them tools.

Now all of them have programs similar to the FFA and they have clubs, and they learn how to stand on their feet, to take part in the meetings. They learn how to get up in the world. And to me this is important. And anything that we have where we are hurting in Kentucky, there is a cutback in our budget now.

We have to transport these children down to the center that Mr. Chattin operates for us. We maintain that bus. Now, when we have cutbacks in funds, even though it is a small cut, we are on a very limited budget and it has serious consequences. And we do not know exactly what these effects will be. Certainly they will be serious.

For example, we have an industrial education program which involves quite a bit of woodworking. If we are cut back in funds that we can receive to buy materials and work these programs or, for example, in the welding program or even our agribusiness people do quite a bit of welding. They buy this metal, the rods and so forth. It does not sound like a lot of money. But just a few hundred dollars in a program like that can have serious consequences.

So what we are asking is that if there is to be cuts, that surely they could be delayed for a couple years for the legislature or perhaps for there to be some recovery in the American economy, and that they could pick up the difference if there is to be such cuts.

We would not necessarily see any problem ourselves with the idea of block grants that we read about. But that we are not aware of as far as we are concerned.

We know that we do not have, or we do not feel that we have, a very large property tax in our area. But the problem is that our State laws prevent our local districts from imposing any more taxes. In other words, we are not free in Kentucky. We cannot go out here and raise tax. The State legislature has a law which forbids us to raise our tax rate above a certain amount, and we have in our district all the taxes that we are allowed.

So we do not have the option of going out here and raising our local tax. So that way we cannot pick up the difference here. So there needs to be some leeway in that for us to pick up that difference.

We mentioned the CETA program. In the past I know I have seen earlier, I think, some abuses in the CETA program, not being properly supervised in the young people's program. But I think now to cut back that, I have not seen that in recent years. I think that has been eliminated. And so I feel very good about the programs that I see operating today. I do not think there is any fat in them.

I would agree at the present time with what I heard, that I think those things have been corrected over the years. Those things have been worked out.

So I would like to ask that that be considered if there is such cuts, that there certainly be delay for a period of time for the local and State laws to be changed to make up that difference, and that these young people could resume this training where they may not go directly into these fields of work. They may even go on to Mr. Chattin's program.

These I think are programs where you are taking things that children have and they are maintaining interest in school and staying in school and not having the dropout rate that we would have otherwise, because they are training for something important.

You hear a lot of talk about national defense. I think again that these people, those that go into the military, and I know a lot of persons that spent a lot of time in the military, in the regular army and the reserves and retired at the present time. If these programs were representative of the military in providing people with a background in technology and being able to operate the equipment that you have.

Chairman **Perkins**. Do you feel that your 25-percent cutback on vocational training would be very serious?

Mr. **Mullens**. It is to our program. At the present time we do not have time to make the adjustments.

Chairman **Perkins**. Our next witness is Edward Stevens. Do you have something to say, Edward?

STATEMENT OF EDWARD STEVENS

Mr. **Stevens**. Congressman Perkins, I also represent Greenup County and I represent the interests of the food service program.

I think an excellent case has been made this morning by a number of individuals against any kind of cuts in the revenue for the program. I have just one or two things I would like to mention.

In Greenup County our food service program could not possibly exist with the proposed 45-cent decrease in the funds. I think just in reimbursement funds alone we would lose something like between $40,000 and $50,000 a year, and then of course without the commodity support that we get, probably an additional 30 or 40. So it would be impossible for us to continue the program.

Chairman **Perkins**. They propose to cut out all your commodities in this program and your 20 cent reimbursement in cash.

I thank you gentlemen very much. But sit still and there may be some further questions.

Yes; identify yourself for the record. We all know you. We have met you here several times.

STATEMENT OF JUANITA KOCIO, DIRECTOR, SCHOOL FOOD SERVICES, ASHLAND INDEPENDENT SCHOOLS, ASHLAND, KY.

Ms. **Kocio**. I am Juanita Kocio and I am the food service director for Ashland schools. I have worked with school food service in one phase or another since its beginning in 1946. At that time I was a home economics teacher and I worked twofold, home economics teaching and school lunch. Now I am strictly with school lunch.

And in Ashland we have nine schools, seven elementary, a middle school, and a high school. Each of our schools has a breakfast program, a lunch program, and a special milk program.

And in addition to these regular programs, we provide milk at milk break for the kindergarten children in our system. We feed four units of Head Start both breakfast and lunch. And through satelliting we provide lunch for the cerebral palsy school and for the Ashland child development center.

We employ 17 full-time workers and 30 part-time workers. Our current membership in Ashland is 4,087 and our average daily attendance is 3,613; 57 percent of our children are paying students.

Chairman PERKINS. Fifty-seven percent?

Ms. KOCIO. Fifty-seven percent of our children are paying students.

Chairman PERKINS. What percentage of your schoolchildren are enrolled in the school lunch program?

Ms. KOCIO. Fifty-seven percent. We have a total participation right now of 62 percent.

Chairman PERKINS. That is a little better than the national average.

Ms. KOCIO. Yes.

Chairman PERKINS. We have about 27 million and we have about 53 or 54 percent nationally.

Go right ahead.

Ms. KOCIO. The projected budget cuts for the national child nutrition program would have a drastic effect on our program. I went back to the October 1980 data which I have used in filing my October plan for reimbursement. And looking at that, for each 16 cents for a paid meal in our system we would, over the projected 175 days that we would be serving lunch for the year, we would lose $35,500.

Chairman PERKINS. That is under section 4 of the program.

Ms. KOCIO. That is all right.

Chairman PERKINS. Now, assume that is all knocked out that reimbursement and your commodities are knocked out from under you.

Ms. KOCIO. I figured that, too. The 13½ cents.

Chairman PERKINS. Now what would the price of your school lunch program jump to? Of course, the commodities that they buy in bulk are much more valuable than what you actually could buy yourselves for the same amount. I had the job of defending that program last year because of the frozen food people.

What in your judgment would your school lunch jump to?

Ms. KOCIO. Well, that would be 29½ cents, let us say 30 cents. Our high school students now pay 70 cents. That would mean we would have to charge them a dollar for lunch to make ends meet. I have not considered inflation.

Chairman PERKINS. Well, you are really underestimating the value of the Federal commodities, compared with what you could buy in store here. I think it would be more or less anywhere from 55 to 70 cents.

Ms. Kocio. Well, you could very easily do that. This is just exactly what we would need to make it up.

Chairman Perkins. Yes; that is what you would need to make it up.

Ms. Kocio. But I have not given any consideration to extra operational expenses if you had to repair or replace equipment, and of course your wage and social security which you have to match for employees, plus workman's compensation, plus unemployment insurance, plus retirement which we are forced to carry and want to carry for our employees.

This is all another thing that we have to look at.

In reduced price lunches, there is also proposed a cut, and this would affect us not as much. But this would mean another $5,000 that we would lose just in the 175 days.

Chairman Perkins. Which you would have to make up.

Ms. Kocio. That is right.

And then there is also a proposal for a reduction in breakfast, and we do have breakfast programs, which would mean another increase for another meal. All of this together would greatly affect our participation. I kind of feel that it would even get to the point that we might have a 50-percent reduction in participation.

Chairman Perkins. I do not think you are a bit too pessimistic. I do not think you are pessimistic enough, because if this 45-percent cut in the school lunch program goes into effect on October 1 this coming year, it would just be like blowing up the school lunchroom, in my judgment.

Ms. Kocio. That is right. That is right. Not only, if participation goes down, you are going to cut employees, which again is going to affect the economy.

If you would still try to operate with a 50-percent reduction in participation, we would not have the type of program that we have worked for years to have now. You would not be able to have the variety that we offer our students. You would not be able to use the amount and the variety of fresh foods and vegetables that we serve. We would not be able to have the choices that we have.

Here at the high school alone, we offer a salad bar, we offer what we call a combo line, which is the thing that goes over best with the boys and girls: hamburgers, french fries, salad, fruit, and milk. That is the combo line.

Chairman Perkins. Well, you could forget about the nutritious meals, could you not, if this proposal comes to pass?

Ms. Kocio. We would have to. We would have to.

Chairman Perkins. Thank you very much.

[Prepared statement of Juanita Kocio follows:]

Prepared Statement of Juanita Kocio, Director, School Food Services, Ashland Independent Schools, Ashland, Ky.

The Ashland Independent School District is comprised of nine schools: seven elementary, the middle school, and a high school. Each school has a breakfast, lunch and special milk program. In addition to these regular programs, milk is made available to the kindergarten classes at break time; four units of Head Start are provided breakfast and lunch; the Cerebral Palsy School and the Ashland Child Development Center are served lunch by using a satellite system. The food service program employs 17 full time employees and 30 part time employees.

Ashland's current school membership is 4087 with an average daily attendance of 3613.

Fifty-seven (57%) percent of the students that participate in the School Lunch Program are paying students. The projected budget cuts to the National Child Nutrition Program will have a drastic effect on this program.

In assessing the impact these cuts would have on our program, I turned to the documented data that was used for filing our claim for reimbursement for October 1980.

This data shows that we would lose the following reimbursement and donated foods (cash Value) yearly if the proposed Federal Cuts are carried out:

LUNCH

1. Paid Meals

.1600	X	1,267	X 175 Days =	$ 35,525	
Section 4 Reduction		Average Daily Paid Participation for District			Projected Loss of Federal Funds for School Year
.1350	X	1,267	X 175 Days =	$ 29.925	
Donated Food Reduction		Average Daily Paid Participation for District			Projected Loss of Federal Funds for School Year

2. Reduced Meals

.2850	X	102	X 175 Days =	$ 5,075	
Sections 4 and 11 Reduction		Average Daily Reduced Participation for District			Projected Loss of Federal Funds for School Year

BREAKFAST

1. **Paid Meals**

.1475	X	295	X 175 Days = $ 7,700	Projected loss of Federal Funds for School Year
Basic Rate Reduction		Average Daily Paid Participation for District		

TOTAL PROJECTED LOSS FOR DISTRICT PER SCHOOL YEAR:$ 79,275.00

This projected loss of $.1600 cash reimbursement and the $.1350 donated food loss would mean a total of $.2950 per lunch that would be passed on to the student paying full price. This increase added to the current price of the lunch would mean that the paying student's lunch would cost him one dollar($1.00). Such a drastic increase in the cost of a lunch would have a detrimental effect on participation, possibly as much as a fifty percent (50%) reduction. An impact like this would entail major adjustments in the way the program would operate:

(1) reducing the number of employees from seventeen (17) full time employees to ten (10) full time employees, thirty (30) part time employees to ten (10) part time employees.

(2) simplifying the choice of menu as to both variety and choice of food groups offered.

(3) serving of fewer fresh fruits and vegetables.

(4) in addition some of the schools with smaller enrollments would be forced to serve only box or bag lunches because of the reduction in staff.

Furthermore it would not be economically feasible for some schools to offer breakfast due to staff reduction.

The significance of the void that would be created by the elimination of the breakfast program is emphasized by the realization that many of the children who participate are member of families in which both parents work. In addition to the obvious benefit to the child, the breakfast program assures working parents that the child will have breakfast. The importance to the child is well documented.

The proposed budget cuts to the Child Nutrition Program would also have a negative economic effect on the community.

For Fiscal year 1979 (October 1, 1979 - September 30, 1980) our School Food Service Program had the following expenditures:

Food and Milk	$259,165.00
Supplies (straws, detergents etc.)	20,981.00
Other expenses (operational overhead)	106,285.00
	$386,431.00

Labor costs for the same period were:

Wages	$201,813.00
Fringe Benefits (Social Security Retirement etc.	22,090.00
	$223,903.00

These figures give a total of $610,334.00 contribution to the economic well-being of our community.

Perhaps some modification in meal patterns and more flexibility in regulations could help the program be more acceptable and the Child Nutrition Program could be salvaged even with such drastic cuts. The "Offer Versus Serve" that is being used in our Middle School and High School has helped participation and has also decreased plate waste. To extend this same idea into the upper elementary grades (third through sixth) would give more flexibility and could have some desirable results with some economic savings. Perhaps less emphasis could be placed on the Special Milk Program and these funds could be channeled toward the funding of lunch and breakfast.

The most drastic alternative would be to have to completely withdraw from the National School Lunch Program. This would then be a type of "Snack Program" with an Ala' Carte operation. This type of program would be far from the ideals of the Child Nutrition Program. In this way not only the paying child would suffer but the needy child would also be at a disadvantage.

We must not permit a return to the distasteful state of affairs which existed prior to the enactment of The National School Lunch Act of 1946, the stated goal of which is and has always been "The Health and Welfare of the nations' children."

In addition to the direct detrimental effects of the child, the social cost of failing to meet the nutritional needs of students must not be ignored. The relationship between a student's educational achievement and his nutritional well-being and his performance in school is well documented. Likewise, the relationship between the student's educational achievement and his productivity as an adult should not be underestimated.

The nine schools that are a part of the Ashland School Food Service Program are:

Paul G. Blazer High School
Coles-Putnam Middle School
Condit Elementary School
Crabbe Elementary School
Hager Elementary School

Hatcher Elementary School
Oakview Elementary School
Poage Elementary School
Charles Russell Elementary School

Cost of Student Breakfast in all schools	25¢
Cost of extra milk to students in all schools	12¢
Student Lunch, elementary	60¢
Student Lunch, Middle School and High School	70¢

Membership	4087
Average Daily Attendance	3613

Mr. Perkins. The lady from Rowan County, Ms. Vencill?

STATEMENT OF BILLY JAMES ON BEHALF OF RUBY VENCILL, SCHOOL FOOD SERVICE DIRECTOR, ROWAN COUNTY BOARD OF EDUCATION, KY.

Mr. James. Ms. Vencill is fighting a virus today, although she is with us. But she has asked me to deliver her talk to this distinguished group that is with us today. I am sure Ms. Vencill could do this much better than myself.

Chairman Perkins. You sit still. Go ahead.

Mr. James. Charles Dickens was not noted as an economist.

Chairman Perkins. Identify yourself for the stenographer.

Mr. James. Oh, excuse me, yes. I am Billy James with the Rowan County school system, as I say, sitting in for Ms. Vencill, who has a virus.

But as I was saying, Charles Dickens was not noted as an economist. But in the opening lines of one of his books I think he describes very well the period in which we are in today when he said: "It is the best of times and it is the worst of times. It is an age of wisdom, it is an age of foolishness."

Over the next few months, let us hope that history records our leaders in Washington as being able to participate in an age of wisdom when it comes to the formulation of our national budget.

In Rowan County we have seven school sites; one high school and six elementary. The enrollment of the county is 3,083, and at the present time we have 72 percent of the enrollment participating in the lunch program.

The students in high school at the present time are now getting their lunch for 65 cents. If the proposed budget cuts are made, this figure would have to be increased to a dollar or even more.

The lunches at the elementary level are presently 60 cents. This figure would have to be increased to 90 cents or more.

The reduced lunch would have to be increased from 10 to 50 cents. Breakfast is presently 25 cents. This would be increased to 40 cents.

With these increases, I project we would lose 50 percent of our paid and 30 percent of our reduced participants. Due to depressed employment opportunities in our area, parents cannot pay the increased cost of the lunches.

The school board is being cut thousands of dollars in almost every educational program in existence and cannot absorb the additional cost. The end result may very well be the closing of all lunchroom facilities in the county. Therefore, there would not be any lunch program at all for the truly needy.

I feel that closing the lunchrooms would be disastrous, for if we have ever needed lunchroom facilities before this is the time. With the prospects of unemployment increasing, the reduction of food stamps, the reduction of welfare payments, the reduction of miners' benefits, the ultimate result will be a large number of children going without food, therefore damaging the health of the child and hindering his or her ability to gain an education.

I would like to offer for your consideration the premise that constructive changes can be made in existing regulations which would translate into the savings of Federal dollars:

One, extend the "offer versus serve" provision to the elementary grade levels;

Two, permitting the fruit and vegetable portion size to be varied for the school breakfast program;

Three, reevaluate the monitoring requirements of child nutrition programs.

Thank you very much.

Chairman PERKINS. You made a good statement. We will get back to you in a little while.

[Attachment to Ruby Vencill's statement follows:]

ROWAN COUNTY
DISTRICT

IMPACT OF PROPOSED FEDERAL BUDGET CUTS
ON
SCHOOL FOOD SERVICE PROGRAMS
(Calculation Based on October 1980 Claim)

LUNCH

1. **Paid Meals**

.1600 (Section 4 Reduction) X 810 (Average Daily Paid Participation for District) X 175 Days = $ 22,750 Projected Loss of Federal Funds for School Year

.1385 (Donated Food Reduction) X 810 (Average Daily Paid Participation for District) X 175 Days = $ 19,075 Projected Loss of Federal Funds for School Year

2. **Reduced Meals**

.2850 (Sections 4 and 11 Reduction) X 147 (Average Daily Reduced Participation for District) X 175 Days = $ 7,350 Projected Loss of Federal Funds for School Year

.0550 (Donated Food Reduction) X 147 (Average Daily Reduced Participation for District) X 175 Days = $ 1,400 Projected Loss of Federal Funds for School Year

BREAKFAST

1. **Paid Meals**

.1475 (Basic Rate Reduction) X 82 (Average Daily Paid Participation for District) X 175 Days = $ 2,100 Projected Loss of Federal Funds for School Year

TOTAL PROJECTED LOSS FOR DISTRICT: $ 52,675

Chairman. PERKINS. Our next witness is from Carter County, Ms. Donna Baldwin.

STATEMENT OF DONNA BALDWIN, DIRECTOR, SCHOOL FOOD SERVICES, CARTER COUNTY, KY.

Ms. BALDWIN. Yes, sir, Congressman Perkins.

My name is Donna Baldwin. I am food service director for Carter County and I have held that position for 4 years.

Our school system consists of 12 schools, 2 high schools, 10 elementary schools. The current enrollment is 5,498. Our daily lunch participation is 4,046 or 74 percent of the students eating lunch each day; 52 percent of those students receive free or reduced price lunches.

Following the proposals for the Nation's Federal subsidy for the paying student, we predicted that our loss for our school district, including commodities, would be approximately $122,000.

Now, we are presently charging 40 cents for the elementary school student and 50 cents for the high school student. I may have underestimated the cost or the Federal subsidy. I predicted 80 and 90 cents respectively raises in lunch prices. But that may be a low figure, after hearing some of the other testimony.

My question is, what will this do to our participation? And in talking to them, for instance, in Carter County this week, they predict that participation would be reduced as much as 30, 40, 50 percent. I had also talked to some of the parents in the county this week and they said, you know, if we are going to have to raise lunch prices that much in order to operate, that they would rather pay for the child's lunch and send it to school.

So this is kind of disheartening to me.

Of our 12 schools, 2 are presently in the red. The 10 remaining schools are barely surviving.

We have received thus far this year $125,000 in USDA commodities. These commodities are utilized to the fullest capacity in providing nutritional meals in our cafeterias. Still, we do have some food waste. We have the offer versus serve in the high schools.

And may I offer to you the possibility that would be a worthwhile project in the elementary schools in decreasing the food waste.

Currently the average cost to prepare a meal in our school system is $1.16, and this includes everything, overhead and labor, and so forth. We have cut every possible corner to alleviate the high cost, including the reduction of labor hours of our lunchroom employees. We presently employ 62 in Carter County.

In summary, if the school system of Carter County are presented with a loss of Federal subsidies as is proposed, the only alternative may be to drop the lunch program entirely. And I am afraid this would have an ultimate impact on what we say is the truly needy child, because I feel that maybe sometimes these children, this may be the only meal that they, the only nutritious meal that they get during the day. And that would have a great impact on them.

And I thank you for your support concerning the child nutrition program.

Chairman PERKINS. Thank you very much for a good statement.

[Prepared statement of Donna Baldwin follows:]

PREPARED STATEMENT OF DONNA BALDWIN, DIRECTOR, SCHOOL FOOD SERVICES, CARTER COUNTY, KY.

Carter County is considered a rural area with an unemployment level of approximately 18 percent. The school system consists of twelve schools, including two high schools and ten elementary schools. The current enrollment is 5,498 with an average daily lunch participation of 4,046. Of the present enrollment 74 percent of the students eat lunch in the cafeteria with 52 percent receiving either free or reduced lunches.

Concerning the proposed elimination of the federal subsidy for the paying student, the projected loss for our school district is estimated to be approximately $122,000.00. The Carter County School System is presently charging 40 cents for an elementary student lunch and 50 cents for a high school student lunch. If the federal subsidy is cut 50 percent our lunch prices would have to be raised to 80 cents and 90 cents respectively. What impact would this have on participation? When speaking to our school principals, the conclusion was reached that the decline in participation may be as much as 30 to 40 percent.

Two of our twelve schools are presently operating in the red. The ten remaining schools are barely surviving with the high cost of food prices and the recent budget cuts. The idea of containing a computed cash position of three months operating costs is presently an impossibility of the past.

The Carter County School System thus far for this year has received $125,000.00 in USDA commodities. These foods are utilized to the fullest capacity in providing the students with nutritional meals to meet the recommended requirements. Without these donated foods it would be impossible to operate the school lunch and breakfast programs. With the previous point in mind, there is still the problem of high food waste. To implement the offer vs. serve provision in the elementary schools would be a very worthwhile project in helping to curtail the rising per meal cost. Currently the average cost to prepare a meal in our school system is $1.16. We have cut every possible corner to alleviate the high cost, including the reduction of labor hours to our lunchroom personnel.

In summary, if the school systems of Kentucky are presented with a loss of federal subsidies, the only alternative may be to drop the lunch program entirely. This would have an ultimate impact on the "truly needy" child considering the possibility that the school lunch program may provide the only nutritional meal received by that student each day. Also I do not feel that the school board could absorb the increased cost and continue to provide the same quality meal for all students.

Thank you for your support concerning the Child Nutrition Program and the hope that this program will not be eliminated.

CARTER COUNTY
DISTRICT

WORKSHEET FOR
IMPACT OF PROPOSED FEDERAL BUDGET CUTS
ON
SCHOOL FOOD SERVICE PROGRAMS
(Calculation Based on October 1980 Claim)

LUNCH

1. **Paid Meals**

.1600 (Section 4 Reduction) x 1,818 (Average Daily Paid Participation for District) x 175 Days = $50,904. Projected Loss of Federal Funds for School Year

.1350 (Donated Food Reduction) x 1,818 (Average Daily Paid Participation for District) x 175 Days = $42,950. Projected Loss of Federal Funds for School Year

2. **Reduced Meals**

.2850 (Sections 4 and 11 Reduction) x 304 (Average Daily Reduced Participation for District) x 175 Days = $15,162. Projected Loss of Federal Funds for School Year

.0550 (Donated Food Reduction) x 304 (Average Daily Reduced Participation for District) x 175 Days = $2926. Projected Loss of Federal Funds for School Year

BREAKFAST

1. **Paid Meals**

.1475 (Basic Rate Reduction) x 403 (Average Daily Paid Participation for District) x 175 Days = $10,402. Projected Loss of Federal Funds for School Year

TOTAL PROJECTED LOSS FOR DISTRICT: $122,344.

Chairman. **Perkins.** Ms. Hale, Martin County Schools.

STATEMENT OF LEAH HALE, DIRECTOR, SCHOOL FOOD SERVICE PROGRAM, MARTIN COUNTY, KY.

Ms. **Hale.** My name is Leah Hale and I am here representing Martin County. But you could change that to Johnson, Floyd, Magoffin, and the story would be the same, I am sure if the Reagan administration's proposed cutback in school food service is implemented.

Chairman **Perkins.** What is the price of a school lunch?

Ms. **Hale.** 70 cents presently.

Chairman **Perkins.** And in Carter what is it?

Ms. **Baldwin.** 40 cents for elementary and 50 cents for high school.

Chairman **Perkins.** Well, you can easily add 60 to 75 cents if we knock the commodities in section 4 into it.

Mr. **Petri.** What is the difference in participation between your two counties in the percentage of students participating?

Ms. **Baldwin.** Seventy-four percent in our county participating.

Ms. **Hale.** I have 78.

Mr. **Petri.** Even though you are charging 70 cents.

Chairman **Perkins.** You said 78, did you not?

Ms. **Hale.** Yes, I did.

Chairman **Perkins.** Participating?

Mr. **Petri.** Seventy-eight percent at seventy cents. Maybe we will get everyone to participate if it goes to a dollar.

Ms. **Hale.** I hardly think that. [Laughter.]

If these cutbacks are approved by Congress, the Martin County school system will lose approximately $64,050 in Federal reimbursement and commodity allocation. Not only would this cost our system 30 percent of our total school food service budget, it would necessarily mean a reduction in the quality of food we serve and perhaps more than double the price we charge for each lunch.

In April of 1980, Martin County school lunchroom fund was $14,361 in the red. Had it not been for State matching in $20,378, we literally would not have been able to pay the milkman.

Beginning the 1980–81 school year, steps had to be taken to insure that our program would remain solvent. We raised school food service employees' wages to $3.10, the minimum wage, but asked them to take a 1-hour cut in their work day. Cooks' positions that became vacant were not filled.

The price of student lunches rose from 50 cents to 70 cents. Our cafeteria menus, already relying heavily on commodity products, were ordered to provide only the components necessary to qualify for reimbursement.

Even with these financial precautions, our lunches are now costing an average of $1.14 per plate to prepare. With spiraling food and supply costs and the increased minimum wage, we can expect that cost to jump a minimum of 36 cents per tray in the 1981-82 school year.

If we lose the estimated 68½ cents cash reimbursement and commodity food allocation on students eating paid and reduced price meals, we will be forced to charge the full $1.50 per meal in our cafeterias. The proposed cutbacks then would have the effect of punishing the working people by making them pay over twice as much next year for their children's meals that cannot, for economic reasons, be nutritionally as good as the ones they bought this year.

We also saw a 2 percent decline in paying student participation when lunch prices rose from 50 cents to 70 cents. What percentage of decline can we expect to see when our lunch price raises 106 percent, from 70 cents to $1.50? The brown bag lunches will become common, if not predominant. And what will they contain? A can of soda, a bag of chips, and a twinkie.

Coal mines and the board of education are the major employers in our county. If we lose our paying students, we will be forced to reduce school food service staff. Chances are these people will become unemployed. The impact of these employee layoffs will not be contained in Martin County, but will be felt in the State and nationally as well.

Where can we cut back our budget? Labor hours cannot be cut and still have the necessary time to feed our children. Only if Federal regulations governing the meal pattern were to be changed could we possibly cut back on food costs. Federal regulations mandate what we serve and, as we stated earlier, we are serving the bare minimum amounts to qualify for reimbursement in order to cut costs.

Martin County was a pioneer in the breakfast program when it was implemented in 1967. If program cutbacks must be made, it is reasonable to assume that the breakfast program will be dropped, as participation is lower in this program than in the lunch program.

We are told that budget cuts have been devised so that truly needy children will not suffer. With 88 percent of the children participating in the breakfast program eating free or reduced price meals, who would suffer most with the loss of this program?

The State fire marshal visited our cafeterias recently and informed us that we need extinguisher hoods for our cafeteria stoves to comply with State fire codes. The estimated cost of buying and installing these extinguisher hoods in our eight schools is $14,000. Without the financial help of the food service equipment assistance program, we cannot possibly afford this equipment. If this program is dropped and we cannot look to it for financial aid, we will remain in violation of the State fire code, risking lives and property.

To whom can we turn for help? The Martin County Board of Education is already expecting a cut of $120,000 to $130,000 in its overall budget. An already strained general fund budget cannot absorb responsibility for the lunch program.

In summation, the necessity for cutbacks in federal spending is evident, but we ask that you spare the children.

Chairman Perkins. Thank you very much. We will get back with you in a few moments.

[Attachment to Leah Hale's prepared statement follows:]

FACTS ABOUT MARTIN COUNTY SCHOOLS

Superintendent: Dr. Dan H. Branham, schools: Sheldon Clark High School, Inez Elementary and Middle School, Warfield Elementary and Middle School, Pigeon

Roost Elementary, Tomahawk Elementary, Grassy Elementary, Mo. of Turkey Elementary, and Venters Branch Elementary.

Countywide enrollment, 3,482; average daily attendance, 3,326; number of school cafeterias, 8; number of food service workers, 58; average daily participation (lunch), 2,444; average daily participation (breakfast), 1,091; approved free meal applications, 1,696; and approved reduced price meal applications, 177.

Chairman PERKINS. Mr. Clarence Atkins, school food service director, Elliott County. You can go ahead. We are glad to hear from you.

STATEMENT OF CLARENCE ATKINS, DIRECTOR, SCHOOL FOOD SERVICE, ELLIOTT COUNTY, KY.

Mr. ATKINS. Mr. Chairman, ladies and gentlemen: I am glad to have the opportunity to be here and to discuss with you the impact of Federal funding cuts in child nutrition programs as they relate to my school district. Elliott County is both rural and sparsely populated. Even though geographically we are as big as most other counties, we have only three elementary and one high school to serve our student population.

Our total enrollment for the district is fewer than 1,400 children K through 12. We are happy to sponsor three food service programs, two in elementary schools and one elementary-high school combination. We participate in both the school lunch and breakfast programs, as well as the special milk program.

It is our feeling that these child feeding programs make a very valuable contribution to our educational system, as well as providing in many cases the only hot nutritious meal a child may encounter during the day. This is especially important when we see many of our children leave home as early as 6:15 a.m. and return back in the afternoon as late as 5 on their to and from our rural schools.

With this background in mind, let us examine the consequences of the proposed Federal funding cuts in child nutrition programs as this, again, relates to my district. It is being proposed to reduce the lunch reimbursement for the paying child by 18½ cents per meal, as well as the 13½ cent value of USDA commodities. This would bring the total loss per lunch for the paying child to 32 cents a day.

In one school year, for most of us that is 175 days, this loss alone would be nearly $18,000. Reductions and reduced price meals would cost us $9,000. Complete withdrawal of reimbursement for the breakfast of the paying child would cost $5,000 annually. Our total financial loss per year under these cuts would be in excess of $32,000.

Now, I know that $32,000, comparatively speaking here, does not sound like a lot of money. However, when the size of the district is taken into consideration, it can be seen that the loss is substantial.

For example, this amount, $32,000, would nearly be one-third the total operating cost, now this is funds from all sources, of one of our elementary schools in the run of 1 year for all programs.

It should be noted here that these food service statements are still in the process of dealing and attempting to deal with the budgetary cuts imposed on us January 1 of this year. It will take some time to determine what those cuts will do to our program. But when combined with these new proposed cuts, we believe firmly that the following things will happen:

No. 1, a sizable number of people now paying full price will fight for and no doubt receive free meals, as they will not be able to pay what I believe to be the realistic figure of $1.10 a day for a school lunch. Many paying children will bring their own lunch from home.

Several children will participate only on a given day when the menu has a certain special appeal to them. This will cause planning and the preparation of food to be almost unmanageable and wasteful, since we will not know who or how many children we will serve or who will request service of the program.

The proposed funding cut for the paying child will undoubtedly create the greatest hardship on the working poor. Even though we as a district have a high percentage of free meals in our district, I can assure that we have many eligible families who could presently receive, just on their application, free reduced meals, which still choose through pride or whatever to pay the full price. If these proposed cuts are made, what do we tell them?

Many children will not eat lunch. Planning meals will be chaotic. Both indirect and direct overhead of food service programs will be greatly increased per meal. Already financially strained school boards will not be able to make up any of your deficits. And the basic nutrition of many children, especially rural children, will suffer.

With the drop of participation and continually increasing costs, we will cause or we will see many school boards completely eliminate child feeding programs.

These predictions are indeed gloomy. But consider that we are now, by congressional intent, operating on a break-even situation. When the current funding levels are reduced, the answer seems very apparent. Either food services will be reduced or in some cases completely eliminated.

There is no doubt that Federal funding must be reduced. I believe this firmly. But it seems more than slightly absurd to reduce very worthwhile activities across the board while we are still funding many questionable activities and practices, both at home and abroad.

Our foreign policy seems to dictate in many cases that other nations will receive not only butter, but they will receive butter and arms. But at home our children will be expected to pay the price.

At this time I would like to thank you for affording me the opportunity to show my concern about the future of all these child feeding programs.

Chairman **Perkins**. Thank you.

The next witness is Paul Reliford.

Mr. **Hawkins**. I believe Mr. Firestein is next, the one above that.

Chairman **Perkins**. All right.

STATEMENT OF FRANK FIRESTEIN, ASSISTANT SUPERINTENDENT, RUSSELL INDEPENDENT SCHOOLS

Mr. **Firestein**. Thank you, Congressman Perkins and members of the subcommittee.

I am Frank Firestein, assistant superintendent of the Russell Independent Schools. My capacity with our various lunchrooms is strictly on an advisory basis, as we do not have a centralized system.

The Russell Independent School System is made up of four elementary schools, a middle school, and one high school. Total enrollment in these schools for school lunch purposes is 2,945 students. Of this number approximately 2,222 students are participating in our school lunch program. If you figure that out, you will see that we have 75 percent participation.

Our system is no doubt somewhat different than most of the schools represented here today, the testimonies given so far in this hearing, due to the fact that only 9 percent of our students are on free lunch and only 2 percent are on the reduced lunch program.

It certainly goes without saying that our paying students carry the load and always have. And I see no change in that. They will carry a bigger load if the reductions come forth.

Using the month of October 1980 as a guideline, we would stand to lose approximately $100,000 for the year under the proposed cuts, $55,000 in actual cash reimbursement and approximately $45,000 in donated food reductions.

Using the same formula, our reduced lunches would stand to lose approximately $3,500, which of course is a meager amount compared to the free. This would cause a minimum increase of 30 cents per meal, not taking inflation into consideration.

Adding the inflation figure could take this figure up to 50 cents. We are now charging 55 cents in elementary, 65 cents in middle school, 75 cents in the high school. And I can see those figures going to $1.05, $1.15, and $1.25.

Of course, this increase could absolutely not be absorbed by the local board. Therefore, once again, as stated previously, our paying students would have to carry the ball. The effect on our district would not be as large as the other districts because they have done this in the past.

It would no doubt lower participation and bring about more brown bagging, as the term goes. As I looked around this room before it vacated, I saw many in that bracket, that they did a lot of brown bagging. And I do not think we are any worse for the wear in that.

I do not believe, once again in our particular system, that any of our students would go without eating.

Congressman, I mentioned before that our system is a little unique in the fact that only 9 percent are on free lunch and 2 percent on reduced lunch. So our paying students have carried the load in the past, and it looks like they will continue.

Chairman PERKINS. But the truth about the whole matter, is that the regular lunch program is what gives the free and reduced price programs the stability. Otherwise, a lot of programs cannot survive on their own.

Go ahead.

Mr. FIRESTEIN. All right. As I say, I work only in an advisory capacity to our lunchrooms. We do not have a centralized system.

A few possible strictly personal suggestions for areas of reductions besides the ones proposed would be, that could possibly aid in the situation or reduce the impact of the proposed cut. If we take a close look at the breakfast program, we do not have a breakfast program. I have not seen one in action. I have heard quite a bit about it.

But take a close look at the breakfast program, see if any cuts or elimination in that could take place.

The special milk program is another area that I believe we could take a closer look at, our reduced prices. I believe we could revise the income scale for free lunches. We could lower that top income figure somewhat. I feel personally that that top figure is too large.

And then there is always that cumbersome redtape, the mandatory regulations required by the Federal Government. I believe on this particular point that the staffs, the staffs of the local school system, working with very knowledgeable advice, advisers from the State level, which we are very fortunate to have a group of the best in our State, I think with these two people working together that a good nutritional meal could be served at a much lower cost per meal. And that is the local people and the State people are input and a little less redtape on the Federal level, as I said.

Chairman **Perkins**. We are in favor of eliminating that redtape. We are going along with that altogether. I would not let the Department of Agriculture put through some regulations last year that would have kept you at your desk all the time working.

We are scrutinizing all the regulations and we vetoed three sets last year from the Department of Education. Go ahead. That is not going to happen.

Mr. **Firestein**. That is about all I have to say on it, Congressman. I did say that we have 75 percent participation by our students and I did quote to you the free and reduced lunch.

That is about all I have to say on it, except that, Congressman, I appreciate your efforts very much, you and your subcommittee. And it has been a privilege to appear before you.

Chairman **Perkins**. Thank you very much, Mr. Firestein.

Our next witness is Paul Reliford, superintendent of Fairview Independent Schools.

STATEMENT OF PAUL RELIFORD, SUPERINTENDENT, FAIRVIEW INDEPENDENT SCHOOLS, WESTWOOD, KY.

Mr. **Reliford**. My name is Paul Reliford and I am the superintendent of Fairview schools. I live over here across the hill in a community called Westwood. There are approximately 5,000 people in the community and about 950 students.

I have three schools involved: Fairview High School, W. P. Renfelt, and Pine Acres.

First I would like to thank you, Congressman, for the opportunity to give testimony of this tremendous impact that it will have on our school lunch program. We deeply appreciate your sincere concern and understanding of our problems and we know where you stand, and I think that from these other guys we know where they stand, too.

I am here, more specifically, to discuss the impact of the proposed cuts in the child nutrition program. However, I would like to express my opposition to cuts in all our educational programs.

As you know, schools are nonprofit organizations and run their programs basically from three funding sources: State money, local taxes, and Federal money.

The State money to schools was cut millions of dollars last year and the price tag cut this year is expected to be threefold over last year.

Severe restrictions have been placed on local taxation by the Kentucky General Assembly and by court decisions which have seriously restricted the property tax base upon which school districts must rely for their principal source of local revenue.

Now, I know enough about economics to understand that when the economy declines those who rely on taxes must suffer. I also understand that many Federal social programs have been corrupt and misused. I would be the first to advocate the eradication of such waste.

However, I do not believe the good social programs should be cut. The local schools have an excellent record in administering Federal programs free of corruption and waste. I believe this to be a very strong point for us. To my knowledge, we have not yet made "60 Minutes" or other investigations that have exposed corruption and waste in Federal funds.

I believe the child nutrition program to be one of those good social programs that should not be cut any more. I say any more because Public Law 96-499 that became effective January 1, 1981, reduced a meal by 2½ cents already.

The administration's proposed cuts would reduce my school district's reimbursement from the national school lunch program by at least 50 percent.

Our school lunch fund is already operating at a deficit. Maybe, as this gentleman said, a $2,500 deficit in 1979 does not mean much to you, but it does when you are talking about the percentage of the school district that I have to run.

We reduced labor in 1980, but our deficit rose to $10,954. Our milk and food expenditures from 1979 to 1980 increased 15 percent due to inflation. (See attachments.) This year we reduced labor to what we consider the lowest point. We did so by eliminating a kitchen and transporting food from one school to another.

We have also kept our prices comparable to other school districts. If we lose $24,000 from the cuts (which would be 50 percent), we would have to either supplement the fund from the general fund or increase the price of a meal at least 50 cents or more. I have not figured that out. I am just guessing that one. I am sure none of us know that exactly at this time. But it would at least be that much, I think.

Due to State cuts, restricted local taxes, and inflation, our general fund cannot absorb this burden. Therefore, we would have to increase our lunches, thus passing the burden to people. Escalating gas prices at such a rapid rate is one thing, but the price of a school lunch is another. Our students do not have to drive, but they do have to eat.

I would like to focus my point on this issue, with my belief that charity begins at home. Before we try to feed the world, we should first meet our country's needs, especially those who, through no fault of their own, cannot meet their needs. And I am speaking of the needy child who will suffer the most. Because for most, the school lunch is the only nutritional meal they receive each day.

Like Mr. Firestein, I have very little free lunch. But I am not being selfish on this. I know this lady down here does, because I have been in Martin County.

I believe parents will refuse to pay the price of the increased lunches and, as has been said here, brown bagging will dramatically increase. Historically, a decline in participation results in higher meal costs for all meals. This would result in more layoffs of food service workers and ultimately could eliminate the school lunch program.

This would not only have an adverse effect on the needy child, but also on the paying student. Because today in many homes both parents work, and the lunch program is the only nutritional meal they do receive.

I do, however, believe in the administration's stand on deregulation. The Government should trust the schools and not burden them with the cumbersome reports and regulations such as meal pattern requirements and so on. This is one area that I believe that the cuts should be emphasized.

And while you are here, Congressman, I would like to draw your attention to something I saw on TV the other day on the commodity program, where the Government, because of large quantities of surplus, was storing milk and butter and so forth. And I would like to say they should get them out of the refrigerators and give them to me, because I have not seen any butter for 3 months. I think all these other people would share with me, too, on the butter.

In my estimation, the Government is very slow in disbursing these commodities which could help us. We seem to get them all at the end of the year, when the kids are all gone, instead of the first of the year.

In closing, I again would like to thank you and your committee for your concern and extend to you the support of myself and the community.

Chairman Perkins. Thank you very much.

[Attachments to Paul Reliford's prepared statement follow:]

FAIRVIEW IND.
DISTRICT

WORKSHEET FOR
IMPACT OF PROPOSED FEDERAL BUDGET CUTS
ON
SCHOOL FOOD SERVICE PROGRAMS
(Calculation Based on October 1980 Claim)

LUNCH

1. **Paid Meals**

.1600	X	457	X 175 Days = $	12,775	Projected Loss of Federal Funds for School Year
Section 4 Reduction		Average Daily Paid Participation for District			
.1350	X	457	X 175 Days = $	10,850	Projected Loss of Federal Funds for School Year
Donated Food Reduction		Average Daily Paid Participation for District			

2. **Reduced Meals**

.2150	X	9	X 175 Days = $	525	Projected Loss of Federal Funds for School Year
Sections 4 and 11 Reduction		Average Daily Reduced Participation for District			
.0550	X	9	X 175 Days = $	175	Projected Loss of Federal Funds for School Year
Donated Food Reduction		Average Daily Reduced Participation for District			

BREAKFAST

1. **Paid Meals**

.1475	X	N/A	X 175 Days = $	N/A	Projected Loss of Federal Funds for School Year
Basic Rate Reduction		Average Daily Paid Participation for District			

TOTAL PROJECTED LOSS FOR DISTRICT: $ 24,325

Fairview Independent School District school food service fund—statement of receipts, disbursements, and fund balance for the year ended June 30, 1979

Cash balance, July 1, 1978	$62
Receipts:	
Cash from daily sales	58,460
Reimbursement from national school lunch program	38,605
Total funds available	97,127
Disbursements:	
Milk	21,102
Food	32,913
Labor	42,235
Other	5,922
Total disbursements	102,172
Cash balance, June 30, 1979	$5,045
Accounts receivable—Fairview Independent School District General Fund	6,072
Accounts payable	−3,537
Total fund balance, June 30, 1979	−2,510

Fairview Independent School District school food service fund—statement of receipts, disbursements, and fund balance for the year ended June 30, 1980

Cash balance, July 1, 1979	−$5,045
Receipts:	
Cash from daily sales	58,991
Reimbursement from national school lunch program	41,417
Fairview Independent School District General Fund	26,627
Subtotal	127,035
Total funds available	121,990
Disbursements:	
Milk	24,773
Food	40,660
Labor	39,971
Other	8,086
Fairview Independence School District General Fund	7,000
Total disbursements	120,490
Cash balance, June 30, 1980	1,500
Accounts receivable—reimbursement due from national school lunch program	7,173
Accounts payable—Fairview Independent School District General Fund	−19,627
Total fund balance, June 30, 1980	−10,945

Chairman **Perkins**. Ms. Diane Stanford, go ahead. We will ask you questions at the end and let you all respond to it.

STATEMENT OF DIANE STANFORD, DIRECTOR, ASHLAND CHILD DEVELOPMENT CENTER

Ms. **Stanford**. My name is Diane Stanford, and I am the director of the Ashland Child Development Center, and I run a little bit different operation than these folks. It is a public nonprofit child care, nursery school, kindergarten and after-school center begun 7 years ago. We have used the Federal child care food program since the beginning and over 700 of our children have benefited from it.

At the time we opened, our board of trustees recognized the drastic need for educationally-based child care to be made available to any child in our community who was in need. Being in need meant that their parent or parents were working or going to school, and without a place to go, they would stay home by themselves.

We do not discriminate according to race, creed, nationality, handicap, or income. Each child is fed, taught, and loved as a precious part of America's future.

Our child care center could not have fed and taught our children for a fee that folks on modest incomes could afford without help from the Federal child care food program. That fee right now is $35 a week.

We also needed and received help on food purchasing, handling, and storage, meal planning, portion size, and cost management from our school lunch folks. We could not have afforded such help on our own and without it, though our intentions were the best, our children would not have eaten as well.

We now spend $75 a day, or $17,000 a year, on buying and serving well-balanced lunches. And of this amount, $6,400 is reimbursed through school lunch. With the budget cuts, we will receive only half that amount and our costs will be greater, because part of our food is coming from the Ashland school system and if they are charging $1.50 a meal we will really be in the soup.

Anyway, over 50 percent of our children are in the free or reduced categories. But all of our children need balanced diets. There is an ignorance about balanced diets at all income levels. So each of our children needs to be fed properly while he or she is with us, and sometimes that can run up to 10 hours a day.

Our State school lunch authorities do not encourage us to charge a food fee according to income. With the proposed new cuts, this will have to be done in some form or other, so that those over the poverty level can be fed as well as those under it.

Our Kentucky child care food personnel have given the program consistently high quality management. They know where every dime is spent. Their frequent audits are firm but kind. Most of all, they care about our children. They get the same kick out of our Laotian 3-year-old eating and speaking American as we do. And they also realize the relationship between the diet we feed her and her strong bones and teeth.

I was a user of child care services before I became a provider. I was teaching at Ashland Community College and put my three preschoolers in the available child care, none of which had the help of the school food service.

In some centers water was the only beverage. Sanitary conditions during food preparation were poor. The centers hired as few people as the law would allow at below minimum wage, because paying for all their food made paying for help difficult.

These operators were well-intentioned but ill-informed and, except for two or three inspections per year, no one was monitoring their work. Without school lunch's help or raised tuition, the snack which is proposed also will turn into bread and water, and this is especially hard on our after-school kids.

Now, you believers in the free enterprise system, and that is all of us, will say that parents who realize what is going on in a substandard center will simply go somewhere else. This is not possible in our community, because we have 7,000 3-, 4-, and 5-year-olds, but only 300 licensed child care slots. No matter what the quality of your services, you stay full.

There was an exception to this full occupation at the beginning of the summer of 1980. Our title XX funds in Kentucky were reallocated and many of our children on purchase of care were no longer eligible and dropped out of child care. Many of these mothers went back on welfare because they could no longer work and pay for child care. This was especially true if they were lucky enough to have more than one child.

If our center had not had children from all segments of the community, that is from paying customers also, we would have gone under. As it was, we had to struggle.

I mention this because if poverty-level children, who are likely to lose their title XX scholarships, depending on what our economy is or what our political priorities are, go under, then if the school food service people are just supporting title XX folks, they will not eventually be feeding anybody, title XX folks or anybody else.

In conclusion, it is essential that the Federal budget be balanced. But there are some programs that are operating efficiently to do the job that they were designed to do at the least possible cost. The Federal child food care program is one of these programs. With this program as it stands, the child care center that serves the whole community gets monetary help, help with meal planning, and is carefully monitored to make sure the children receive each Federal dollar as it was intended to be spent.

Chairman **Perkins**. The title XX you are talking about, the administration proposes to cut it by one-fourth and then throw it into a social services block grant.

Ms. **Stanford**. Right. And I do not think that the purchase of care program will see much of that money.

At the beginning of the summer all of the funds were cut off, and we had seven or eight centers in Kentucky go under, because that was the only kind of child they were serving. Then they could not say, well OK, now we need $35 a week from you all. It just did not work that way.

With the budget cuts, the only children and centers that will still benefit are those in centers supported by title XX. With these uncertain funds, the centers supporting only poverty-level children will not be with us in the future. Tuitions at the remainder of the centers will have to be raised to cover unreimbursed costs. This will leave the middle class child squeezed in between, not being eligible for one type of center and not being able to afford the other.

If the Federal child care food program is cut, you will be taking food from tiny children, you will lower the quality of child care, and you will emaciate a federal program that really works by using the taxpayers' dollars efficiently.

Thank you for listening.

[Attachments to Diane Stanford's statement follow:]

ASHLAND CHILD DEVELOPMENT CENTER

The Ashland Child Development Center (A.C.D.C.) at 1516 Central Avenue, operates three facilities for children. The all-day facility serves three, four, and five year old children of working parents. The half-day facility at 18th and Carter provides nursery school (two, three, or five days a week) and kindergarten (5 days a week) for the same age group. The after-school center, located at 16th and Winchester, provides recreation and late afternoon activities for the elementary school age child.

The Ashland Child Development Center is incorporated as a public, non-profit educational institution. It is licensed by the Kentucky Department of Human Resources, the Kentucky Fire Marshal's office, the Kentucky Department of Education, the Boyd County Public Health Department, and the Federal Child Care Food Program to provide services for 42 all-day children, 100 half-day children, and 75 after-school children.

THE STAFF

A.C.D.C. is professionally staffed with qualified teachers, aided by a supporting staff of teaching assistants, student teachers, and high school helpers. In addition to the teaching teams, the staff includes a social worker, a business manager, a housekeeper, and a full-time director. There is a ratio of one staff member for every eight children, allowing considerable individual attention to each child.

ACTIVITIES

A.C.D.C. provides a variety of instructional and recreational activities, and gives the care and support necessary to encourage full development of each child's unique potential as a person. Programs are designed for each age group in accordance with the developmental level of the students. Basic skills in verbal ability, preparation for reading, and math concepts are stressed.

A.C.D.C., recognizing the importance of developing a child's creative interest, offers a variety of arts, crafts, cooking, and science projects. Children also have the opportunity to develop motor skills through dance, gym activities, games, and outdoor play. Frequent field trips to interesting places in the community further expand the child's world.

PARTNER WITH PARENTS

A.C.D.C. strives to be a partner with parents in the healthy development of their children. Parents are encouraged to visit the Center at any time during the day or to join their child for lunch. Special parent programs and activities are also offered. When feasible, field trips are made to parents' places of work. Parents also serve on A.C.D.C.'s Board of Trustees.

HEALTH AND NUTRITION

A.C.D.C. serves breakfast (if desired), a hot lunch, and a afternoon snack at the all-day center. Half-day and after-school children have a snack. All-day children nap from 1:30 to 2:30 p.m.

Nutrition education is an integral part of our curriculum. Children learn about the basic food groups and prepare and taste a variety of foods. Parents are invited to participate in the nutrition program also.

Under regulations of the State of Kentucky, a child who is ill may not be brought to the Center. If a child becomes ill during the day, temporary care will be provided by the staff until a parent or a person designated by the parent can take the child home.

ENROLLMENT

Interested parents are encouraged to visit the Center. To make arrangements to visit, or for further information about programs, hours, tuition, scholarship assistance, etc., call the Center at (606) 324-0893, or write to 1516 Central Avenue; Ashland, Kentucky 41101.

Chairman **PERKINS**. Thank you very much.

We agreed on some block grant consolidation a few years ago. In fact, it was 1970, on innovative programs under title I, guidance and counseling and some other programs. And when they got to Frankfort, within 3 years, and practically all over the country, it was just dissipated. There was no programs at all. They got to fighting and some people got left out.

If we cannot legislate better than that, we had better not legislate at all, it has been my feeling.

We have gotten Ms. Diane Stanford, director, you just testified. Ms. Gwen French, go ahead.

STATEMENT OF GWENDOLYN E. FRENCH, DIRECTOR, MASON COUNTY SCHOOL FOOD SERVICES, KY.

Ms. **French**. I am Gwendolyn French.

Chairman **Perkins**. Talk just a little louder and pull that microphone up to you.

Ms. **French**. I am Gwendolyn French and I am school food services director for the Mason County schools.

The Mason County Board of Education sponsors a centralized school food service program for three school cafeterias with onsite food preparation. There was one time when we had nine schools with onsite food preparation.

Our county school enrollment is 2,400 children. The average daily participation in our school lunch program is 1,800 children, and the average daily participation in our school breakfast program is 900 children. Based on our October 1980 report and claim for reimbursement of 37,322 meals, those were lunches, served during this month, 52 percent of them were for the paid children.

Now, with the proposed elimination of the Federal subsidy for paying students, the Mason County schools would lose $64,750 a year, which would represent a reduction of about 28 percent in the Federal subsidy. To compensate for this loss, we would have to increase the cost of our lunches by 30 cents or more to the paying child.

Increases in costs of lunches have always resulted in a decline in participation and a decline in participation results in higher meal costs per meal prepared. Success in the operation of a school lunch program comes with a large volume of participation by children.

School food services should continue to be for all of the schoolchildren, not just the needy. Those children whose parents pay taxes to support the program should have the opportunity to consume a nutritious meal at school at a minimum cost.

The implementation of the offer versus serve in grades 9 through 12, whereby they prepare the full school lunch meal but the child only takes what he wants to, and that is a required three items in our high schools, and we have implemented this program in our Mason County high schools, and we have saved money. We have cut costs and we have also cut wastes.

If these regulations were changed to implement the program in grades four through eight as well, it would mean more children taking only the foods that they will consume and not having the components of the school lunch dumped in the garbage can.

The milk served with the breakfast and milk served along with the lunch and with the other meal components will meet the nutritional needs of all the children. Extra milk obtained by any child should be at a minimum cost. The free extra milk is not needed to meet the nutrition requirements when the two meals are available. They sometimes give us a bit too much to eat, I believe, and that is one reason for some of our waste.

A day-to-day monetary profit is difficult to see in a program of feeding our young people, but there will certainly be a measurable profit to see in the adults of the future. Let us not deprive any child of a good nutritious meal at school.

Thank you.

Chairman **Perkins**. Thank you very much.

Mrs. Wright, Lawrence County, we are glad to welcome you here today.

STATEMENT OF FRANCES WRIGHT, DIRECTOR, SCHOOL FOOD SERVICE, LAWRENCE COUNTY SCHOOLS, KY.

Ms. **Wright**. I am Frances Wright, Lawrence County school food service director.

In Lawrence County we have an enrollment of 2,900 pupils, with an average daily attendance of 2,730, of which 60 percent of these people are eligible for free and reduced meals. We serve approximately 2,600 lunches and 2,000 breakfasts to students daily. Of this number, 1,055 lunches and 500 breakfasts are to the paying child.

The proposed budget cuts in the Federal reimbursement for school food service program in our district will amount to about $80,945. This loss of reimbursement, along with the rising cost of food, labor, utilities, equipment, maintenance and repair, will cause a substantial raise in the price of our meals.

Our county has very little industry. The industry we do have is a limited amount of coal mining, coal hauling, and the Kentucky Power Co. Most of our people work in surrounding areas, that is Ashland, Huntington, and Paintsville.

With the rising cost of gasoline, inflation, and other living expenses, our people could be called the working poor. To raise the cost of school meals would create a strain on the rather tight budget of these people.

The majority of the 40 percent which represents the paying child in our area are just over the scale for free and reduced meals. The paying child's parent would be hard pressed to take up the slack of the operation of the food service program. Therefore, our participation would be less.

These children would be brown bagging it or not eating. I am sure the brown bag lunch would not be as beneficial as the balanced hot meals now being served in our schools.

The Board of Education is also suffering from cuts in money to operate the schools and would be unable to pick up the extra expense of the cafeterias. With the loss of participation, revenue, the food service program in our area would become a white elephant, a luxury operating at a loss that we cannot afford.

The school lunch program is one of the Federal programs which is thoroughly regulated, audited, and closely watched by both local, State, and Federal people. It is one program in which you can see the money going to where it belongs and used as it was meant to be used. You know the children are fed daily if they are in school. Dollar for dollar, there is no better value for the money spent in the school food service program than any other Federal program.

Chairman **Perkins**. That completes your statement.

Let me see. Do we have anybody else here in connection with the school lunch program? Come on around.

STATEMENT OF KEITH POWELL, DIRECTOR, HEAD START, ASHLAND CITY SCHOOL SYSTEM

Mr. **Powell**. I am Keith Powell, the Director of Head Start for the Ashland City School System. I would like to make just a few brief statements.

Chairman **Perkins**. Go right ahead.

Mr. **Powell**. As you may know, the President said that Head Start will not be affected by the budget cuts. I propose that Head Start will be affected by any budget cuts that occur in the school lunch program.

Chairman **Perkins**. And in addition, likewise your day care service.

Go ahead.

Mr. **Powell**. At best, the Head Start program in the Ashland school system, if this cut goes through, at best what would happen is that our children would still receive free lunch if they are the poorest of the poor to begin with. However, personnel service in the cafeteria would be reduced, thereby requiring that my children spend more time in the cafeteria, which is time out of the classroom.

There would also be a reduction in the variety and the selection of the food that my children would have. They would no longer be able to get fresh fruits such as apples, pears, and oranges to eat with their lunch. There would be very few fresh vegetables such as carrots and celery. Extras like raisins and peanuts, which are very important to my children, will be reduced.

At worst, the school system would drop out of the Federal school lunch program, thereby eliminating the food services to my children. At that point then I would still have to provide free lunch for my children and take the money, some approximately $20,000, take it out of the current budget which is outstanding for instructional purposes for the children and pay for their lunches.

Now we are currently using this.

Chairman **Perkins**. If you had four children, if this proposal went through it would cost you in excess of $26 a week.

Mr. **Powell**. I am sorry. I did not understand.

Chairman **Perkins**. I said, if you had four children this would cost you in excess of $26 a week.

Mr. **Powell**. Right.

Chairman **Perkins**. That is much more than you would get back under any tax cut from a middle income taxpayer being proposed.

Mr. **Powell**. Right.

OK. And I would also like to say that the food program has been an extremely beneficial aspect for Head Start children. Looking at these children who have come from very deprived economic homes, at the beginning of the school year their attitudes and eating habits are very poor. Over the course of the year that we have them, we can see their eating habits improve and a much greater consumption of meats, not just hamburgers and hot dogs, as they are at the beginning.

There also is a much wider variety of tastes in foods among our children at the end of the year than there is at the beginning. We can physically see an improvement in the skin coloration of these children. We can see healthier nails on their hands just from physically looking at them. Their hair tends to be shinier and their general physical well-being is improved considerably from participating in this free school lunch program for the Head Start children.

And in closing I would like to say that I find it very difficult to believe that this country, which is the greatest and the wealthiest country ever to exist on the face of the Earth, cannot feed its poor children.

Chairman **Perkins**. Thank you very much for a good statement.

Let me thank this panel. You have been most helpful to us. And I am very glad that you realize the consequences of this proposal that's being discussed in Washington. I hope we can stop it. We may not be able to defeat it all the way, but I have some confidence that we can, by doing everything possible, pretty well hold the program intact.

If we lose the commodities that is the most dangerous thing. But we are going to be in there trying tô hold fast for the commodities. And if there have to be some cuts somewhere along the line, I do not know whether we could get by with a nickel or something under section 4.

But this will all come before the Budget Committee. We will be in there fighting for you, and I do not want to predict how it may come out at this time.

But you people have given us some good testimony to take back to Washington, and I am going to see that all the members of the Budget Committee get it.

And let me thank you for coming here today and being very helpful to us. Thank all of you.

We are going to hear more than 60 witnesses here today. The next panel is Dr. Phillip Runkel, superintendent of public instructions, Michigan. All right, we will hear you right away. You have got a member of the house of delegates from West Virginia, Albert Yanni, with you. Come on around.

And Dr. Byrl Shoemaker, Ohio, executive director; Mr. Robert Gehr, president, UAW CAP, Troy/Lima Area, Ohio; Gary Kitchen, president, Standard Supply Co.; Dennis Davis, Kanawha County, Charleston; David Groves, Huntington; Bill Johnson, director of communications, West Virginia Education Association; Mr. John Hall.

We will hear all of you. And Dr. Runkel, you start right now. I know you have to leave. And we are delighted to welcome you here today.

Excuse me, my friend. You go ahead. I know you have got something to say.

Mr. **Kildee**. I want to welcome Dr. Phillip Runkel here. He has driven from Michigan, a 7-hour drive, and I know he has to go right back today. I propose, Mr. Chairman, that when Dr. Runkel finishes his testimony, he be questioned immediately.

Chairman **Perkins**. Absolutely. We will have the questions for him separately.

Go right ahead. Go right ahead.

STATEMENT OF DR. PHILLIP RUNKEL, MICHIGAN STATE SUPERINTENDENT OF INSTRUCTION

Dr. **Runkel.** First of all, Congressman Perkins, we want to thank you, on behalf of the citizens of Michigan, for the contribution that you have given education in this country. And we want to publicly acknowledge also Congressman Kildee, a former member of the State Legislature of Michigan, for his contribution to education in our State and now the continued commitment in the Congress.

We want to thank you again, and to share with you some of the critical issues that face Michigan schools, colleges, and universities. I also want to make as clear as possible the adverse impacts that many of the President's proposals will have on the children, youth and adults in my State.

Finally, I respectfully request your consideration and support in advocating special assistance for the educational system in Michigan, whose 2 million children in 570 school districts will directly suffer from these budget cuts.

As you are probably well aware, Michigan has the highest unemployment rate in the Nation. Currently it is about 13.2 percent, almost twice the national average. In our urban areas, such as Detroit and Flint, where Congressman Kildee is from, the unemployment rate exceeds 35 percent.

Our State has historically had a heavy reliance on the automobile industry. As this industry has been affected by foreign imports, escalating production costs, downsizing in response to rising energy costs, new materials and new manufacturing techniques, there has been a shift of various components of the automobile industry from Michigan to other parts of the country and other parts of the world.

The decline in automobile sales and the changing character of the industry has deeply scarred the entire economic structure of the state of Michigan.

I want to emphasize that I believe Michigan will recover from the current problem. Our State is blessed with adequate natural resources, a skilled labor force, a dynamic and adaptable business base, and State and local government units that are responsive and sensitive to the needs of our citizens.

However, we will need help as we work through a transition period. As a result of our high rate of unemployment, the demand for State service has increased. Social services caseloads are increasing dramatically. I believe we have some 30 percent of the national caseloads last month. Enrollments in adult college and university programs are increasing because unemployed workers are going back to get new training. Medical services are being demanded, nutrition and related health services are needed by thousands of our citizens.

But the current revenue picture in Michigan is bleak. The problems are particularly acute in public education. Michigan, with a rich history of education, the schools in Michigan have had to suffer deep cuts in their budgets. During the 1979-80 year, the Governor required the department of education to submit budget lapse plans which amounted to a $2.2 million reduction in services.

Later in that year he issued an executive order which amounted to another $900,000 loss of funds to our local school districts.

During the year 1980-81, for the first time in history, in our State's history, we had a net reduction of $169 million for State aid appropriated by the legislature to local school districts, at a time when inflation was running over 12 percent in our State.

To compound the problem, there is further discussion that the Governor may have to issue another executive order cut for this school year, causing even greater hardship to local school districts, forced to transfer these costs to local property tax revenues or eliminate vital services entirely.

During this same time, Michigan has a State categorical program. This program was reduced 30 percent across the board. This amounted to $130 million additional loss to local school districts.

Let me draw your attention to a chart at the back of my testimony that will give you a graphic representation of our problem.

Mr. **Kildee**. Doctor, do we have a copy of this chart?

Dr. **Runkel**. Those charts are in there, are they not?

Well, anyway, let me go over these briefly. I'll refer to the charts later, Dale. Thank you.

If you look at that first chart, you'll see categorical funding targeted to meet the special needs of our students. You'll see that in 1979-80, $377 million was earmarked for categorical funds. Last school year it was $248 million. The next year is $233 million.

I will break that down for you in terms of the programs that have been reduced. Article 3, Michigan's compensatory education program, was reduced by $10 million. That is a takeoff on title I. Transportation was reduced, school transportation, and given back to the locals by $30 million.

Gifted and talented was reduced by $225 million. Bilingual education was reduced by $1,350,000. Pregnant persons were reduced by $342,000; special education for the handicapped was reduced by $33 million. Vocational education was reduced by $8 million.

These are State categorical cuts. In addition, categoricals for school districts experiencing declining enrollment was reduced by $23 million and capital outlay equalization by another $15 million was eliminated completely.

Today, even before these cuts, thousands of needy students are not being served because of serious reductions in State revenues. Now comes the administration's proposal which recommends further cuts in many of the same areas, where the State has already cut back expenditures by 30 percent.

I am attaching, and there is attached, a complete staff analysis of the administration's proposed 20 percent reductions, now it is more, it is 25 and rescission, in elementary and secondary programs, student financial aids and vocational rehabilitation, for your review. However, I would like to highlight several of the more serious impacts:

Federally funded elementary and secondary programs in Michigan school districts stand to lose $85 million. That is before rescission and the other cuts. Detroit alone would lose $12.8 million, plus their ESA money, which would be another $6 million and would add 5 percent onto that cut. The city of Detroit would be impacted by over $20 million.

As many as 2,700 positions would be lost in the public schools in a State which already has the highest unemployment rate in the Nation. Michigan schools are obligated to pay unemployment for public employees. So with those positions being lost, the State would have the additional obligation of paying unemployment.

The Michigan State Department of Education would stand to lose over 40 staff positions in the elementary and secondary agencies. This agency has already eliminated 150 positions because of reductions in State funds.

Almost 250,000 Michigan elementary and secondary students would be denied services or would receive reduced services under the administration's proposal.

There would be a reduction of almost 80,000 student borrowers under the guaranteed student loan program and a $166 million value of loans lost to Michigan students. Remembering the rate of unemployment, these students cannot go out into the market and get a job to help defray their educational costs. We estimate that over half of these students might not be able to continue their education as a result.

We also operate vocational rehabilitation services; 15,000 disabled clients would be denied services and would in all probability be unable to find work or comparable services. Again I mention the Detroit schools, where over $20 million would be lost because of these cuts.

There are many other impacts, but I believe this gives you a flavor of what the reductions would mean to our State.

I also think it is particularly important to share with you several assumptions that are valid in Michigan but might not occur in other States. They might in States like Kentucky as well:

But the State of Michigan will not be able to pick up services or programs that are not funded by the Federal Government, because of their substantial cuts already;

That local property taxpayers in Michigan will be unable or unwilling to vote additional millage to compensate for the lost programs and services. We have defeated a proposition 13 type amendment twice in recent years, but we do have the Headlee amendment, which restricts the growth of government in our State. Antiproperty tax feelings are running high in Michigan.

That the Michigan private sector will not be able to revitalize new industry and business quickly enough to stimulate growth in the economy and therefore mitigate the need for special services.

I want to say a word about the consolidation aspect of the President's proposal. Although grants consolidation may have some merit in the abstract, it should not be used as a vehicle for reducing Federal aid to education in critical areas. We in education have had experience with other grant consolidation programs, and Congressman Perkins gave us some of the illustrations.

It becomes a jungle out there. And this would put the Federal Government in relationship with 16,000 school districts, making decisions about how they expanded that money with the LEA grant. I believe the most able, the ones that have the most political clout, would be able, certainly, to grab off those dollars.

I believe the administration's proposal for combining grants is not well conceived nor well intentioned.

The Michigan State Board of Education, comprised of four Democrats and four Republicans, at its March 3 meeting took an action regarding the grants consolidation program which I believe should serve as the practical underpinnings for any block grant effort. The board said that if it were to support any consolidation program, it must:

One, insure that Michigan's unique problems as an economically depressed area, such as maintenance of effort and special disaster assistance be met;

Meaningfully simplify and consolidate programs to insure better services to children, rather than solely offer a rationale for cutting funds;

Three, target needy populations for Federal funds support and insure provision of service for those most in need.

Title I in our State has made a difference for literally hundreds of thousands of students. We have seen student achievement go up. We know that it has made a difference for many human beings.

Insure that the State board of education has appropriate authority and resources necessary for the administration of consolidation grants.

I am left with the conclusion that Michigan must be given special assistance in a number of areas, particularly in public education. If the President's proposals are accepted and Congress enacted them, I believe emergency legislation needs to be developed and passed that will include, but not be limited to, the following principles. And this obviously could apply to other areas in this region and in the Northeast:

First, emergency economic assistance for Michigan and other labor surplus areas in the form of "hold harmless" provisions at 1981 levels for all Federal educational appropriations. This should include all LEA and SEA federal grants and administrative funds.

Second, a waiver of maintenance of effort requirements in all educational programs caused by lack of State and local revenues which reflect high unemployment. We already are faced with the problem, without grant consolidation, of maintenance of effort.

Third, a special appropriation for retraining program funds for the adult unemployed population. It would be particularly important to link this effort to social service and welfare recipients in an attempt to reduce the welfare roles. This special appropriation must take the form of a set-aside in the social services budget that could be used by the SEA's to develop and implement the retraining programs in local schools, community colleges and universities.

Fourth, special assistance in other labor surplus areas in the form of student financial aid. This assistance would be for the purpose of allowing unemployed adult students an opportunity of furthering their formal education and developing new skills. Such aid does not now exist in any form for unemployed workers who wish to upgrade educational skills.

And fifth, special allowances for Michigan and other labor surplus areas in the competition for grants for which educational institutions are eligible.

Michigan ranks fiftieth among the States, of the States in return of Federal dollars. With increased defense spending, we cannot move much lower than fiftieth, but that gap is going to be broader.

We feel and have a strong commitment to do what we can to maintain the kind of Federal support that has made a difference in our State for so many people.

We will be available for this Committee or anyone to assist in that matter.

I believe a man from Michigan named Mr. Stockman said that there are no sacred cows. We say that there are sacred children in Michigan and we are going to do what we can to serve the 2 million children in the 570 school districts in the State.

Thank you. And I would take just a moment to go over the charts and graphs, so if there are any questions, I will be happy to assist you.

Chairman PERKINS. All right. Do you want to go over your charts and graphs first?

Dr. RUNKEL. I will just take a minute, Congressman. I think I can simplify them very simply.

The first one I have given you is the categorical funding, the drop in that. And you can see the impact on elementary and secondary education, special ed, migrant, vocational ed. Remember, these were based on a 20-percent reduction. Now it is 25 percent. That does not include the rescissions as well.

The impact on the student loan program, and I want to emphasize, the guaranteed loan program. Our universities today are fighting through budget cuts that they have never experienced before. Michigan State is cutting out whole programs, as well as Wayne State and others. The guaranteed loan program would deny students an opportunity to finish their education, and would sincerely really impact higher education in our State.

The Pell grants and the social security educational benefits would impact literally thousands of students.

We have the impact of the student lunch program. You can see, the testimony that the people from Kentucky gave certainly would be indicative of the kind of things that will happen to our breakfast and lunch program in our State.

I want to show you the one on vocational education, because it shows how the Federal Government, how investments in terms of rehabilitating people make a difference. If you look at the 1979 chart, you will see, after rehabilitation, if you look at taxes and reduced assistance, you see what happens in 1979 and 1980.

If you look at reduced funding, you'll see what happens to taxes, public assistance after that reduction is lost. An investment in people, an investment in the future that makes a difference for people.

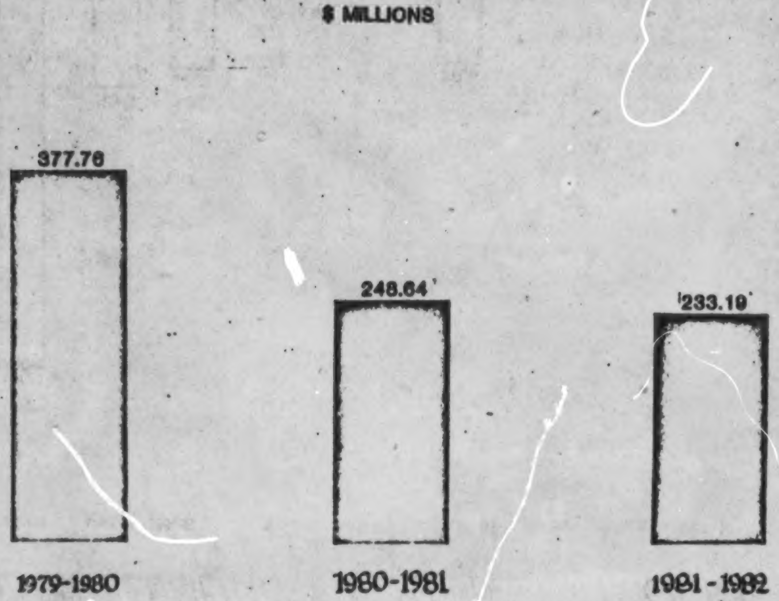
The only other item, we have a complete breakdown that we've submitted to our budget management office on these cuts, that would emphasize again how the major cities of our State are impacted, such as Detroit, such as Flint, Grand Rapids. And I am very concerned about even major social disruptions in our cities because of the lack of hope that is now presently existing there.

I thank you for the opportunity to come here. Again, I thank you, Congressman Perkins, for your contribution to education in this Nation, and Dale as well for his support of education in our State.

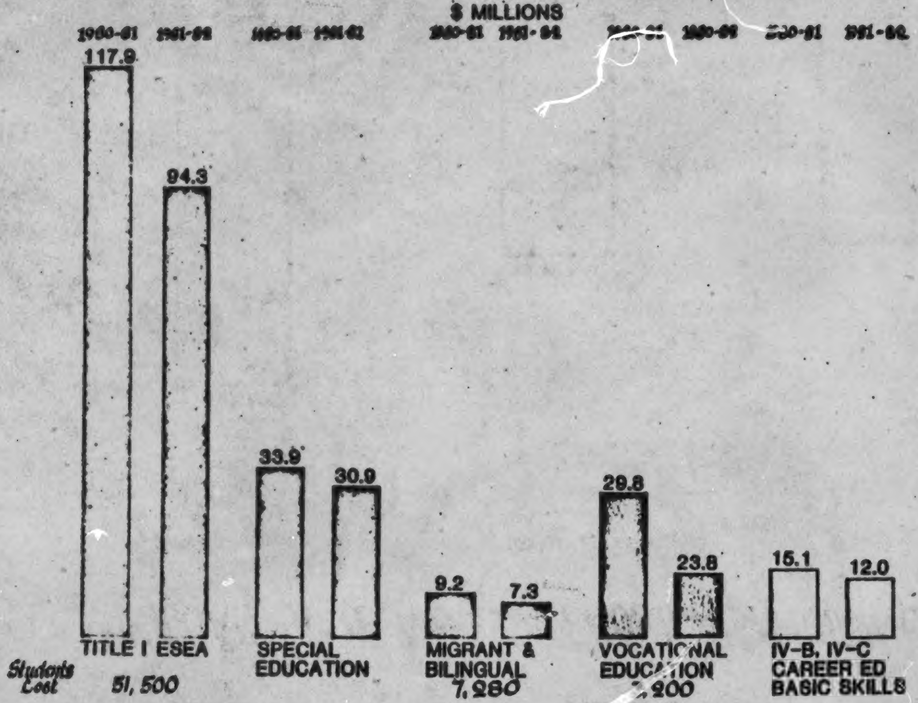
[Attachments to Dr. Runkel's statement follow:]

ATTACHMENT A

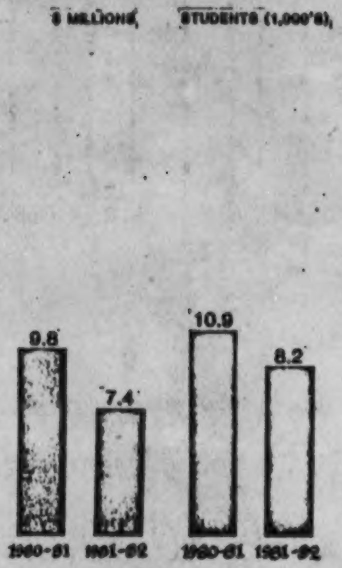
MICHIGAN STATE AID - CATEGORICAL FUNDING



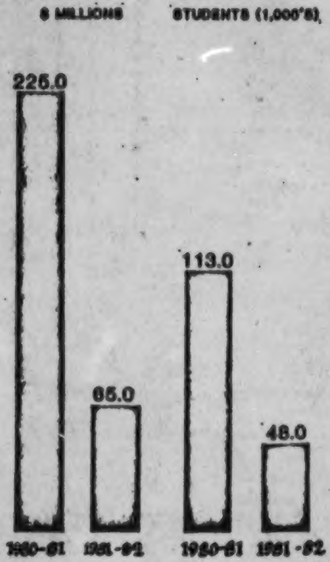
IMPACT ON ELEMENTARY & SECONDARY EDUCATION



IMPACT ON STUDENT LOAN PROGRAM

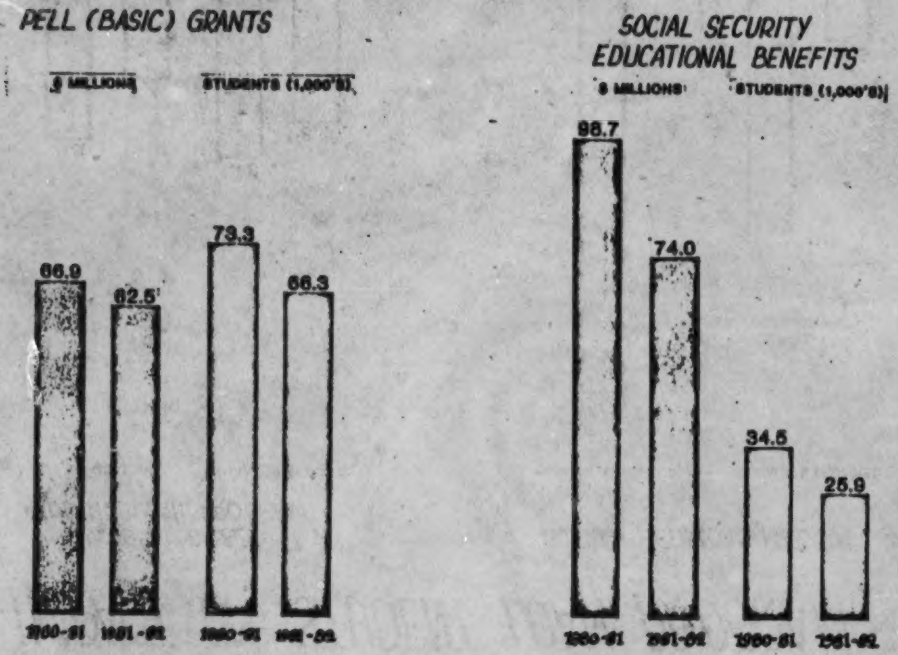


NATIONAL DIRECT STUDENT LOAN PROGRAM



GUARANTEED LOAN PROGRAM

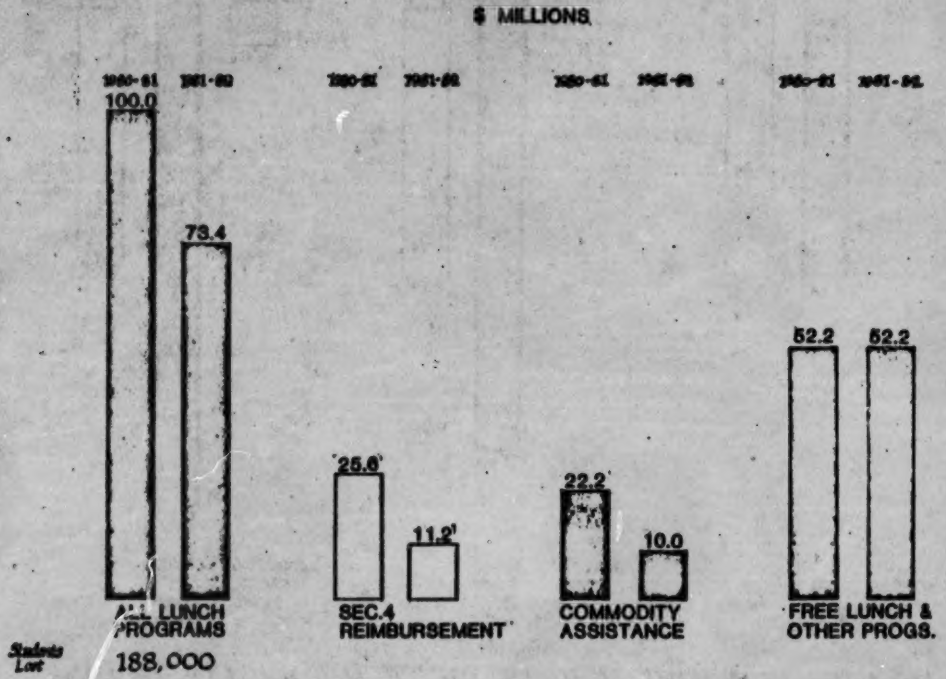
IMPACT ON STUDENT FINANCIAL ASSISTANCE



PELL (BASIC) GRANTS

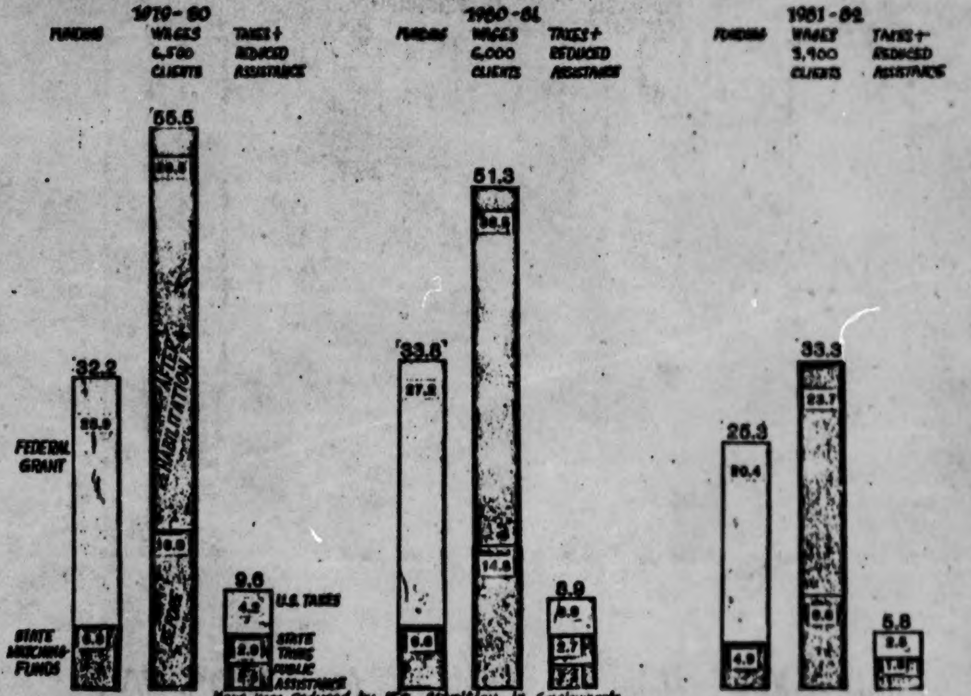
SOCIAL SECURITY EDUCATIONAL BENEFITS

IMPACT ON SCHOOL LUNCH PROGRAMS



ANNUAL RETURN ON SEC.110 REHABILITATION INVESTMENT

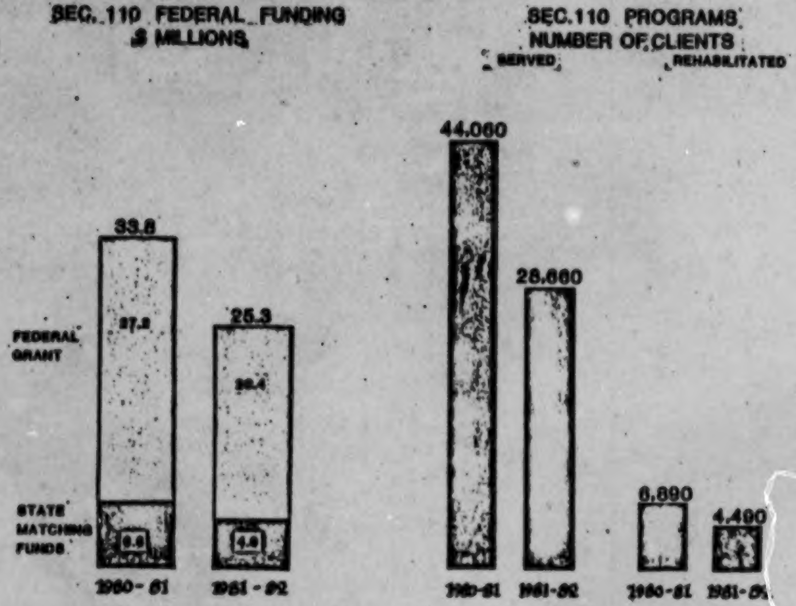
$ MILLIONS.



Total Client Earnings

Have been Reduced by 15% Attrition in Employment

IMPACT ON MICHIGAN REHABILITATION SERVICES



ATTACHMENT B

Michigan State Board of Education
News
William G. Milliken, Governor
Phillip E. Runkel, Superintendent of Public Instruction
Tom Farrell [illegible]
P.O. Box 30008 [illegible]

STATE BOARD OF EDUCATION
[illegible]
Silverenia Q. Kanoyton [illegible]
Barbara Roberts Mason [illegible]
Dr. Gumecindo Salas [illegible]
John Watanen, Jr. [illegible]
Barbara Dumouchelle [illegible]
Annetta Miller [illegible]
Norman Otto Stockmeyer, Sr. [illegible]
Dr. Edmund F. Vandette [illegible]

FOR IMMEDIATE RELEASE
February 25, 1981

CONTACT: Tom Farrell

(WITH RUNKEL NEWS CONFERENCE)

TABLE SHOWS POTENTIAL LOSS TO STATE'S LARGEST SCHOOL DISTRICTS (73)

LANSING---The following table shows the amount of federal funds received by Michigan's largest urban school districts during the 1979-80 school year and the estimated loss of federal funds if the Reagan plan to reduce federal spending is approved by Congress:

School District	Federal Funds Received in 1979-80	Potential Reduction at Recommended 20% Level
Detroit	$63.8 million	$12.8 million
Grand Rapids	8.9 million	1.8 million
Flint	7.7 million	1.5 million
Lansing	6.3 million	1.3 million
Pontiac	6.1 million	1.2 million
Saginaw	4.3 million	860,000
Kalamazoo	2.2 million	440,000
Muskegon	2.1 million	420,000
Benton Harbor	2.0 million	400,000
Bay City	1.8 million	360,000
Battle Creek	1.8 million	360,000
Jackson	1.6 million	320,000
Ann Arbor	1.3 million	260,000

- MORE -

ATTACHMENT C

STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
Lansing, Michigan 48909

PHILLIP E. RUNKEL
Superintendent
of Public Instruction

STATE BOARD OF EDUCATION
BARBARA ROBERTS MASON
President
NORMAN OTTO STOCKMEYER, Sr.
Vice President
DR. GUMECINDO SALAS
Secretary
BARBARA DUMOUCHELLE
Treasurer
JOHN WATANEN, JR.
NASBE Delegate
SILVERENIA Q. KANOYTON
ANNETTA MILLER
DR. EDMUND F. VANDETTE

Governor
WILLIAM G. MILLIKEN
Ex-Officio

March 10, 1981

Dr. Gerald H. Miller, Director
Department of Management and Budget
First Floor, Cass Building
Lansing, Michigan

Dear Dr. Miller:

Please find attached staff's analysis of the President's proposed federal budget reductions on the Department of Education.

I am also attaching for your information a report the State Board of Education received at its March 3 and 4 meeting regarding block grants. The State Board has identified several principles which they believe must be included in any grants consolidation effort if it is to be given serious consideration. The Governor may want to adopt these principles when he has discussions with the President on this topic.

In addition to budget reductions, it is also important to understand that the President's education proposals bypass the S[illegible] Board of Education by allocating consolidated grants directly to local school districts without any accountability or oversight authority by the state. This aspect of the administration's proposal raises a serious public policy issue for the Executive Office, the State Board of Education and the Legislature. There should be no support for grants consolidation until there is a clear statement of the state's role and authority in this matter.

Please let me know if I can be of any further assistance.

Sincerely,

Phillip E. Runkel

Phillip E. Runkel

Enclosures

cc: Douglas Smith
John Norberg
David Murphy
Hymie Dahya

MICHIGAN

Equality, Equity and Excellence for Children, Youth and Adults

ESTIMATED IMPACT OF PROPOSED BUDGET REDUCTIONS: ELEMENTARY AND SECONDARY

TABLE I

EFFECTS OF FEDERAL BLOCK GRANT REDUCTIONS FOR FY 1982
ELEMENTARY AND SECONDARY EDUCATION: PROGRAM DOLLARS

PROGRAM	1981	1982	REDUCTION + 8%*
1. Special Education			
a. Local Operations	$ 27,800,000	$ 27,406,080	$ 2,617,920
b. Special Projects	4,500,000	3,446,600	1,413,400
2. Title I, ESEA	116,000,000	92,800,000	32,480,000
3. Migrant Education	5,977,551	4,782,041	1,673,714
4. Bilingual Education	3,160,287	2,528,230	884,880
5. Basic Skills	123,784	99,027	34,660
6. Vocational Education	29,787,403	23,829,922	8,340,473
7. Media (IV-B)	7,400,000	5,920,000	2,072,000
8. Innovation (IV-C)	6,100,000	4,880,000	1,708,000
9. Career Education	565,199	452,159	158,256
10. School Lunch			
a. Reimbursement (Sec. 4)	25,600,000	11,200,000	16,448,000
b. Commodity Assistance	22,200,000	10,000,000	13,976,000
c. Other Programs	52,200,000	52,200,000	4,176,000
Total	$ 301,414,224	$ 239,544,059	$ 85,983,303**

*Eight percent is a conservative estimate of the expected 1982 inflation in the cost of these programs.

**An estimated 85 percent of this amount is used by local school districts for personnel costs (salaries and benefits). Assuming an average of $26,800 for teacher salaries and benefits, approximately 2,727 positions would be lost in Michigan schools.

TABLE II

EFFECTS OF FEDERAL BLOCK GRANT REDUCTIONS FOR FY 1982
ELEMENTARY AND SECONDARY EDUCATION: STATE ADMINISTRATION

PROGRAM	1981		1982		REDUCTION	
	$	Positions	$	Positions	$(+8%)	Positions
1. Special Education	$ 1,600,000	61	$346,880	27	$1,381,120	34
2. Title I, ESEA	1,900,000	27	1,520,000	27	532,000	0
3. Migrant Education	634,935	6	507,948	3	177,782	3
4. Bilingual Education	355,295	4.3	284,236	3.3	99,483	1
5. Basic Skills	123,783	3	99,026	2	34,660	1
6. Vocational Education	958,550	40	766,840	32	268,394	8
7. Media (IV-B)	680,000	17	544,000	13	190,400	4
8. Innovation (IV-C)						
9. Career Education	84,780	3	67,824	2.3	23,738	0.7
10. School Lunch	899,000	27	1,530,000	38	(559,080)	(11)
Total	$ 7,236,343	188.3	$ 5,666,754	147.6	$2,148,496	40.7

TABLE III

FEDERAL BLOCK GRANT REDUCTIONS FOR FY 1982

ELEMENTARY AND SECONDARY EDUCATION: ESTIMATED PUPIL IMPACT

PROGRAM	1981	1982	PUPIL REDUCTION
1. Special Education	Pupil participation required by state law. Funding responsibility would shift to state and local school districts.		
2. Title I, ESEA	193,000	141,500	51,500
3. Migrant Education	16,000	11,520	4,480
4. Bilingual Education	10,000	7,200	2,800
5. Vocational Education	15,342	12,142	3,200
6. School Lunch	800,000*	612,000*	188,000*

*Average daily participation

ESTMATED IMPACT OF

PROPOSED BUDGET REDUCTIONS

STUDENT FINANCIAL AID

IMPACT OF PROPOSED FEDERAL BUDGET REDUCTIONS

	FY1981 (Base)	FY1982 Reductions	FY1982 Balance
PELL (BASIC) GRANTS			
A. # Of Grant Recipients	73,253	6,926	66,327
B. $ Value Of Grants	$ 66.95 Million	$ 4.5 Million	$62.45 Million
NATIONAL DIRECT STUDENT LOANS			
A. Federal Matching Funds	$ 9.82 Million	$ 2.45 Million	$ 7.37 Million
B. # Of Student Borrowers	10,911	2,722	8,189
SOCIAL SECURITY EDUCATIONAL BENEFITS			
A. # Of Beneficiaries	34,459	8,615	25,844
B. $ Value Of Benefits	$ 98.7 Million	$ 24.68 Million	$74.02 Million
GUARANTEED STUDENT LOANS			
A. # Of Borrowers	113,500	79,450	34,050
B. $ Value Of Loans	$227.68 Million	$166.59 Million	$61.09 Million
C. Federal Administrative Cost Reimbursement to Michigan	$ 1.1 Million	$ 0.79 Million	$ 0.31 Million
D. FTE Covered By Federal Reimbursement	40.0	31.0	9.0

MICHIGAN DEPARTMENT OF EDUCATION
STUDENT FINANCIAL ASSISTANCE SERVICES

RECEIVED

TO: Eugene Pavlov **DATE:** 3/2

FROM: Ronald J. Jursa

SUBJECT: President Reagan's Proposed Education Reductions

As you requested, we have reviewed the material relative to proposed reductions in federal education programs. I have the following observations relative to the impact of these proposed reductions on Michigan schools and students:

Type of Reductions

In postsecondary education, the major part of proposed reductions are in the area of student financial assistance since this is the area that comprises the bulk of federal expenditures for postsecondary education. Four programs are targeted for reduction or elimination. These include the Pell Grants (previously known as Basic Grants), National Direct Student Loans, Guaranteed Student Loans (including the new Parent Loan Program), and Social Security educational benefits. An analysis of each of these program areas follows:

Limitation on Pell (Basic) Grants

It is proposed that Pell Grants be limited to individuals from families with an annual income of less than $25,000. This represents a complete change from the Middle Income Student Assistance Act of 1978, which specifically broadened eligibility to include some grant aid for families in the $25,000-$30,000 income range. Based upon less than complete data available to us, we esitmate that here in Michigan the proposed limitatio would eliminate approximately 6,900 current grant recipients, with a total dollar loss of $4.5 million.

Phase-Out of National Direct Student Loan (NDSL) Program

Since 1958, the federal government has provided individual colleges and universities funds to be used for long-term, low interest student loans. Nine dollars of federal money are provided for one dollar of institutional match. During the current school year, Michigan colleges and universities received nearly $10 million in federal funds for this program.

The proposal suggests eliminating 25% of the federal funding each year for the next four years. This would represent a loss to Michigan schools of about $2.5 million next year, and after four years the full $10 million would be lost. Assuming the average student loan is about $1,000 per year, this would eliminate aid to about 10,000 students over the next four years.

The National Direct Student Loan Program would not be totally eliminated since colleges will be able to re-cycle any NDSL repayments which they receive from loans made to students during the past 20 years. The fact remains, however, that there will be considerably reduced lending under the National Direct Student Loan Program, with about 2,500 otherwise eligible students being denied loan funds next year and an additional 2,500 students each year for the next four years.

Reductions in Guaranteed Student Loans

The largest single program of student financial assistance in the country is the Guaranteed Student Loan Program, whereby students borrow from private lending agencies (or a state agency such as the Michigan Higher Education Student Loan Authority), with the federal government subsidizing these loans and eventually guaranteeing their repayment. The program is costly to the federal government and the costs have increased dramatically during the past several years due to the elimination of all income ceilings through passage of the Middle Income Student Assistance Act in 1978.

The proposal is to reduce federal costs by:

A. Eliminating the federal payment of interest on behalf of the student borrower while the student is in school.

B. Limiting the amount of money a student can borrow to the difference between school costs and the resources available to the student, based upon an individual financial evaluation.

C. For parent loans, removing the federal subsidy so that parents will have to pay the full interest at current market rates.

The impact of the above proposed reductions would be as follows:

A. Removing federal interest payments while the student is in school will discourage a significant number of private lenders from making student loans. Banks and other lenders cannot afford to loan large sums of money with interest payments being delayed for a period of four years or more. Further, state direct lenders (such as the Student Loan Authority here in Michigan) would probably go out of business since it would be virtually impossible to sell revenue bonds without assurance of immediate interest payments on the student loans being offered.

B. The imposition of a "needs test" to determine how much a student could borrow will create a vastly expanded paperwork burden for colleges and individual private lenders. Many colleges will be ill-equipped to handle this additional paper burden and many private lenders will simply refuse to participate. (We went through exactly the same experience in 1972 and here in Michigan it resulted in a 34% decrease in student loans in one year.)

C. Without a federal subsidy for parent loans, this new program will never get off the ground. At the present time, it would mean parents would have to pay in the neighborhood of 17% to 18% on these loans and regardless of the interest rate many private lenders would prefer to simply make their own loans rather than subject themselves to the red tape and paperwork associated with a government program.

D. By the close of the current fiscal year, we estimate that approximately 115,000 students will have obtained guaranteed loans here in Michigan, with a total dollar volume of approximately $225 million. If the administration's proposals identified above are implemented, we estimate that guaranteed loan volume in Michigan for 1981-82 will decrease by close to 70%. This will mean a reduction in guaranteed loans in the amount of approximately $160 million and a reduction of approximately 65,000 student borrowers. It should be noted that not only will this be a tremendous loss to individual students and families, but will also have enormous consequences in reduced enrollments and revenues for Michigan colleges and universities.

Phase-Out of Social Security Educational Benefits

At the present time, Social Security provides educational benefits to eligible students aged 18 to 21 who are enrolled in postsecondary programs of study. The proposal is to phase-out these benefits over a four year period by adding no new students and reducing expenditures by about 25% each year as succeeding classes of students terminate their college studies. We estimate that approximately 34,000 Michigan students currently receive Social Security educational benefits totaling about $98 million. If the proposed reductions are implemented, about 8,500 fewer students will receive benefits each year over the next four years, with an annual loss of assistance of about $24.5 million.

Impact on Michigan Department of Education

Not specifically identified in any of the printed materials from Washington is the very real possibility that the federal government will discontinue its current practice of reimbursing state guarantee agencies for their administrative expenses in operating the Guaranteed Loan Program. Here in Michigan, for the current fiscal year, our administrative expenses for the Guaranteed Loan Program amount to $1.1 million, all of which is covered by federal reimbursement. If that reimbursement is eliminated, we would need to immediately increase the insurance fee (currently one-half of one percent which we charge each student borrower and we would also have to seek some operating funds from the Michigan legislature as we previously did prior to 1976.

There is also a real threat to continued operation of our State Direct Student Loan Program since this program probably could not sell revenue bonds if the federal government eliminated its current subsidy of loan interest while the student borrower is in school.

Conclusion

The budget papers prepared by the Reagan administration clearly forecast that there will be considerable negative reaction to these proposals from many parents and students as well as from colleges and universities throughout the country. There is no question that the higher education community will sustain serious damage if all of the proposed reductions are implemented. The crucial public policy question is whether these losses are worth absorbing in order to effectuate the proposed savings in federal expenditures This is a question which the American people and the Congress will have to decide.

If we were asked to prioritize the proposed reductions, it would be my judgment that the least damaging action would be the imposition of a $25,000 income ceiling for the Pell (Basic) Grant Program. While some students would loose their grant aid, these would involve upper-middle income families who probably could resort to other resources.

Next in priority would be the phase-out of Social Security educational benefits. The current benefits are not truly "needed" by many students, and, given the current precarious condition of the Social Security system, there is little justification to provide benefits to college students that are not available to other persons 18 to 21 years of age who do not attend college.

Phase out of the National Direct Student Loan Program would have much broader impact on large numbers of students and would greatly reduce the amount of financial aid which could be provided by individual colleges and universities.

Far and away, the most damaging proposal is the one to restrict and reduce the availability of guaranteed student loans. While some cost savings clearly can be made in this program (and probably should), it could be done far more easily and with far less damage by means other than those proposed by the Reagan administration (for example, a simple income limitation for purposes of interest subsidies could be imposed, as was the case prior to 1978.) The National Council of Higher Education Loan Programs is currently drafting a series of counter-proposals which will be shared with the administration and the Congress. At such time as those proposals are officially presented, I would urge that the Department strongly endorse them.

RJJ/llh

ESTIMATED IMPACT OF

PROPOSED BUDGET REDUCTIONS

VOCATIONAL REHABILITATION

FY 1982 Federal Funding - Vocational Rehabilitation

This analysis assumes that the rehabilitation program will be folded into the "Human Services" block grant. These will be funded at 75% of the FY 1981 appropriations. More specific plans are expected from the President by mid-March. This analysis should be reviewed again at that time. The analysis also assumes a 10% increase in the inflation rate which must be used to translate the President's plan into "real" effects.

In general, the President's reductions would require VRS to undergo massive reorganization, reduce case services and staff, offer a more limited range of services, and require many clients to travel significantly further for services because of fewer local offices. In the future, some costs for rehabilitation would have to be shared by clients through a fee-for-service. Other plans include the adoption of a means test and possible income and resource review. Client waiting lists and an order of selection would be installed. Unemployment and public assistance costs would be increased.

The two tables below show more specifically the impacts of the President's reductions in FY 1982. Table I reports the effects if only the Basic Program, Sec. 110, is placed in the block grant. Table II reports the effects if the Basic Program plus Social Security and Supplemental Security are in the block grant.

TABLE I - Basic Program Only
Effects of Federal Block Grant Reductions for FY 1982

	FY 1981 (base)	FY 1982 reductions
A. Financial Impacts (25%)		
Section 110 Grant	$27,166,600	$6,791,700
Indirect Earnings	821,300	205,300
Program Funds	26,345,300	6,586,400
State Match	6,586,300	1,646,600
Total	$33,752,900	$8,438,300
B. Client and Program Impacts (35%)		
Section 110 Staff Positions	716	250
Number of Rehabilitations	6,890	2,400
Number of Clients Served	44,060	16,400

TABLE II - Basic Program Plus SSTF and SSI

	FY 1981 (Base)	FY 1982 Reduction
A. Financial Impacts (25%)		
Section 110 Grant	$33,752,900	$8,438,300
SSTF	3,422,400	855,600
SSI	1,606,700	401,700
Total	$38,782,000	$9,695,600
B. Client and Program Impacts (35%)		
Section 110 Staff Positions	842	300
Number of Rehabilitations	7,300	2,600
Number of Clients Served	49,300	17,300

Annual Section 110 Funding of Vocational Rehabilitation

and

Annual Economic Gain Indicators of Rehabilitants

	(Actual) FY 79-80	(Projected) FY 80-81	(Estimated Effec of Reagan Cut FY 81-82
Section 110 Funds	$25.9m	$27.2m	$20.4m
State Match	6.3m	6.6m	4.9m
Total	$32.2m	$33.8m	$25.3m(d)
1. Employed Rehabilitants (Section 110) (a)	6,500	6,000	3,900(d)
2. Net Wage Increase (b)	$39.5m	$36.5m	$23.7m
3. Federal Taxes Returned (b)	$ 4.2m	$ 3.9m	$ 2.5m
4. State Taxes Returned (b)	$ 2.9m	$ 2.7m	$ 1.8m
5. P.A. Payments Averted(b)	$ 2.5m	$ 2.3m	$ 1.5m

Notes

a. Includes only competitively employed rehabilitants; excludes non-competitively placed and all SSTF and SSI rehabilitants.

b. All $ figures are net increases in economic gains not gross totals.

c. 15% attrition included in all numbers & figures above 1 thru 5.

d. FY 1982 production reduced due to inflation, unemployment, and depressed funding. FY 1982 funding $25.3 is not adjusted downward by 10% CPI to "real" dollar value of $22.8 from FY 1981 levels but the production of 3,900 from 6,000 is adjusted to reflect that fewer services, goods, and staff can be purchased with the $25.3m than could have been bought in FY 1981. Production therefore includes 25% cut plus 10% inflation, i.e., 35% reduction.

FY 1982 figures were compared to FY 1981 by MRS. Bob McKerr's percentages were correct but compared FY 1980 figures with FY 1982. The larger differences in production then are due to two years of inflation.

Chairman **Perkins**. Let me thank you very much, Dr. Runkel. I have known about you a long time. You've been a great leader in the area of education.

But do you think that maybe this talk of block grants may just be an excuse to cut back on Federal aid to education?

Dr. **Runkel**. We have said that in our testimony, that we do not want to see that as an excuse. We think it is actually. What we have had is, many people in the field, I have been in the field as the superintendent of the city of Grand Rapids, have complained about paperwork and undue regulation. And as in any program, those things can always be cleaned up.

But our voices have been heard. But when they complained about regulations, they did not say that they wanted the block grants and certainly lose money. That is the first point.

The second point, programs such as migrant programs, migrant education, will get lost in that block grant. The small programs are going to be eaten up by the most able.

Chairman **Perkins**. And we will never hear of them after the first year. There will be some scrapping around at the State level.

Dr. **Runkel**. Yes. And the reason that we targeted education in specific areas at the Federal level is because there were specific needs.

Chairman **Perkins**. Now, the administration is considering a block grant proposal which would permit local school districts to use the Federal funds to reduce local taxes. Of course, that is window dressing, so that nothing extra in terms of education would have to be provided.

And I would like to ask you if you agree with that proposal?

Dr. **Runkel**. I disagree strongly with that. First of all, the money will go to X school district. It would put them directly in contact with the Federal Government. The claim that there would not be any regulations is certainly in error. We certainly have plenty of court decisions and State laws and Federal laws that would have to be met. I would see litigation for the next 5 years to determine that.

And it would be really, the local school districts would soon, I think, feel that they would like to go back to another form. Because once they had to make that critical decision of how that money was split exactly, we would find that it would be a quagmire and they would be chewed up by a variety of special interests in that community.

In terms of reducing taxes, any time you reduce 25 percent or more of the money, I do not know how anyone, my economy, I just do not understand how they could reduce taxes. That is beyond me. And it will increase taxes, rather than reduce taxes at the local and State level.

Chairman **Perkins**. Thank you.

Mr. Hawkins?

Mr. **Hawkins**. Dr. Runkel, in line with that last question with respect to validation, you have suggested that a waiver of the maintenance-of-effort requirement be included as one of the suggestions.

Dr. **Runkel**. I am asking that for our State, because we are not going to be able. I will say generally, there should be some maintenance of effort. Those principles apply primarily for our State, because we are really having difficulty because of the cuts that we are now facing, to maintain effort.

And we think that there needs to be some waiver of that, or waiver in depressed areas, because I think that has happened in several States. I believe California is experiencing that as well in some parts of it as well.

Mr. **Hawkins**. Yes. But I am concerned that if you do grant, let us take a program such as title I, which was predicated on the theory that this money would go to improve, let us say, enrich the learning experience, and if that is so and a State reduces its State support or its local district reduces its support based on the fact that this money is made available to it, then it is merely a transfer of the burden from one level of government to the other, and the child suffers from it.

It seems to me that it is something that requires a lot of thought.

Dr. **Runkel**. I agree.

Mr. **Hawkins**. That if this is not money in addition, that is, if the Federal money is not money in addition to what is already being provided, then the child is going to be deprived.

Dr. **Runkel**. Let me respond as well as I can to that. I agree in the normal situation with your conclusion. As we look at our State, and we obviously concur that that money ought to be targeted for the programs that are now in operation. As we look at Dale School District, or Grand Rapids or Detroit, we have reduced part of that.

And we are studying that quite in depth now to see where we are. We think we have a maintenance-of-effort problem in Michigan, because State aid and categorical aid have already been reduced by the State government.

We have never, we have always supported the idea of maintenance of effort, because what happens is the program will go down here. But we do think there are exceptions, and we think now in our State, with the economy the way it is, we believe that we would like to ask for that exception for a year, for a waiver. And maybe that ought to be made a little clearer in our presentation.

Mr. **Hawkins**. Well, perhaps the hold-harmless approach may be.

Dr. **Runkel**. May be better.

Mr. **Hawkins**. May be better.

Dr. **Runkel**. Yes.

Mr. **Hawkins**. I am sure that we agree in principle.

Dr. **Runkel**. We agree in principle.

Mr. **Hawkins**. It is just a question that this.

Dr. **Runkel**. That would be acceptable to us.

Mr. **Hawkins**. This may not reach the actual situation.

Now, the only other question that I would ask would be this. I talk to quite a few school people and privately, although publicly their position may be different, but privately they seem to be enjoying the idea of the block grant approach, that this is going to be a lot of money which they can use without strings attached, and that this would be a good opportunity, I would think, to dump programs, but to them, they say to save money that is filled with a lot of red tape and Federal mandates.

Dr. **Runkel**. Yes.

Mr. **Hawkins.** I have heard a lot of this from the school people. Would you react to that?

Dr. **Runkel.** I surely would. I have operated an urban school district which had all the programs, the second and third largest school district in Michigan, as the superintendent. I think there has been some of that out there.

But if you really put down the appropriate issues here, I think as Congressman Perkins indicated, if you cut the program 25 percent, then we say to LEAs, you can distribute this money any way you like, well, that really is not going to happen.

For example, we have a Federal law for the handicapped, certain requirements are met there. We have a statute back in Michigan which is much more restrictive and does much more to meet the needs, which is already law. So that has to be met there.

Certainly title I, we have an article 3. We emphasize the economically disadvantaged in Michigan, and certainly money will be needed there.

But I submit to you that it will not work. The program will not work. And as you get down to really, really cutting the pie at the local level, that the most able, politically able, will get the money. The other groups will sue.

And I will say that the accountability, because the State is now being bypassed, ultimately will be placed in the Department of Education, which the President said he wanted to eliminate. Because certainly there is going to have to be some accountability of Federal money, because if there is not accountability, we know what has happened in the past.

Those are just a few items. But more important than that, I think, and you know I have to say this sincerely, that school people, I feel, might be in error when they really see the package. It is a quick fix on a complex problem.

And we are meeting with our school people around Michigan, and we are finding, and we have a meeting, and one of the reasons I want to leave early today is tomorrow morning in Detroit we will meet with five congressional districts, where we have SWAT teams that are going to be working with our Congressmen and giving them information. We are finding that that is not the case in Michigan.

Many of the organizations which said that they are for block grants are now reassessing their views. We are finding in our communications, because I do think we are ahead of the country in communicating these things to other people, because our needs are so great, we are finding now that there is becoming an uproar that we had not experienced from the handicapped and the Title I people, now that they are finding out what is happening and what will happen at the local school district level, that that is not going to be an acceptable way to administer these funds.

So I guess that, Congressman Hawkins, would be some of the comments that I would make on that.

Mr. **Hawkins.** I certainly appreciate them.

Dr. **Runkel.** Thank you.

Mr. **Hawkins.** I think they are very, very relevant.

Mr. Kildee?

Mr. **Kildee.** Thank you, Mr. Chairman.

On the point you raised regarding maintenance of effort. I wonder if we could make a distinction for States where the drop in, quote, "effort," is due to a drop in revenues because of a downturn in that State's economy.

Dr. **Runkel**. Yes.

Mr. **Kildee**. Rather than in a drop in the tax rate.

Dr. **Runkel**. Yes.

Mr. **Kildee**. By the legislature or by the local school districts.

Dr. **Runkel**. That is a good point, and I appreciate it. I agree 100 percent.

Mr. **Kildee**. There is no way to control these economic factors. I had 25.9 percent unemployment in my district last summer. This decreased revenues drastically without any action of the legislature or the people. So perhaps if we could index and say——

Dr. **Runkel**. I think that is an excellent point.

Mr. **Kildee**. When unemployment or the number of people relying on social services reaches a certain figure, then we make some adjustments, or make that distinction.

Dr. **Runkel**. I agree. That is an excellent point.

Mr. **Kildee**. I think that would be a better way to approach it.

One thing I worry about with the block grants is that we now have advocacy for education on the Federal level, too. Many groups get categorical funding for a program after fighting for it for a long time. Once that funding it folded into a block grant, some advocacy on the Federal level is lost.

I suspect certain people in OMB would like to get rid of that advocacy, because of the success these advocates have had in convincing the Congress that certain programs were needed, Congress response was to recognize Federal concern and to give dollars for those specific programs.

When you fold funding for these programs into a block grant you do lose that advocacy on the Federal level, which is something I think we are concerned about.

Mr. Stockman has told Mr. Reagan and Mr. Reagan has told us, then, that a 25-percent cut, for example, in vocational education will not harm vocational education programs at all because the State and local educational agencies will take up the slack.

We know that is ridiculous in Michigan right now. Could you comment on how you feel about that?

Dr. **Runkel**. Yes. I think that, I have talked with Secretary Bell and met with him about the special problems of Michigan. And I know that he is in a very difficult position in terms of the whole proposition.

I do not understand how anyone could conceive that the administrative costs at the Federal, State, and local level is something like 13 percent. It is just not there. We checked the data on that at the local level and at the State level, and it is more like 2 percent.

Now, let us talk about vocational education. This is certainly a topic that, in a State where the economy is devastated, and if we are going to develop new industries we have got to be part of the solution. Vocational education has to be part of that training component. And it is certainly an important ingredient in developing and diversifying our industries.

But if at the Federal level it is cut 25 percent, the moneys are not going to be there to pick up when the economy is bad at the local level. The program is going to be cut 25 percent or more. And some of our programs are certainly going to be devastated by that cut.

If we look at Detroit, and we do not have to look at it nationally, in Detroit now we have a commitment to five vocational education centers. We have the construction money for those centers. Now here is a city whose school system is going through revitalization, new leadership, achievements improving. Vocational centers can be important for the training of minority youth in that city.

We may be able to build them, but we sure will not have the money to operate them. That is in Michigan.

In looking across the country, this State and the State that I just traveled through, Ohio, have done an excellent job in vocational education, as many others have. And we look at the South, North Carolina. We can see what a role vocational education has played in revitalizing the economy of areas of our country that are Sun Belt or, you know, close to Sun Belt.

I can see that that is going to have impact in those States as well. So I think at a national level it is going to have serious impact on vocational education, revitalizing the retraining of our young people. And I am very concerned about it.

Mr. **Kildee**. I was talking with Roger Smith, chairman of the board at General Motors, last week. He tells me that GM has made a commitment to spend $40 billion in the next 5 years to modernize.

Dr. **Runkel**. Yes.

Mr. **Kildee**. That is going to require some trained people.

It just seems strange to me that at a time when we are trying to reindustrialize this country, we are also considering lessening our Federal commitment to a program that will serve that reindustrialization.

Dr. **Runkel**. I agree. I am not an economist, but I did spend the last 2 years in Europe and a certain amount of time in England. And if you caught the New York Times yesterday, the Thatcher Government has just raised taxes, unemployment is at a higher rate than ever, inflation is still up, and taxes now have been raised again.

So that the theory, I guess it is called the supply side economics, is not working presently in England. And the risks are very great if it does not work here, because we have had, I think, a measure, a lot of successful programs in terms of the Federal sector meeting the needs of people that have been deprived in the past.

And it is certainly almost a shocking part of this whole proposal, if you are going to revitalize this whole country, that you have to have a trained work force and an educated work force. The students that are going through those systems now will only go through once. We see serious damage to Michigan education if it continues.

Mr. **Kildee**. Thank you very much, Phil.

Thank you, Mr. Chairman.

Chairman **Perkins**. Thank you you very much, Dr. Runkel.

146

Our next witness, Hon. Albert Yanni, member of the House of Delegates of West Virginia.

Byrl, we will get to you in a few moments.

You better go get something to eat and I will run the committee.

STATEMENT OF HON. ALBERT YANNI, MEMBER, HOUSE OF DELEGATES OF THE STATE OF WEST VIRGINIA

Mr. YANNI. Thank you, Congressman Perkins.

Chairman PERKINS. Go right ahead.

Mr. YANNI. I would first like to thank you, Congressman Perkins and colleagues, for your many years of support of vocational education and your continued support, demonstrated by conducting local hearings such as this one.

The people of the tri-state area sincerely appreciate this opportunity to make known to you personally the consequences of proposed reductions in Federal support. I would like to make my comments today from the perspective of my position as a member of the West Virginia legislature and, more specifically, as a member of the House Education Committee.

The State of West Virginia realizes the need for vocational education and has supported vocational education. Unfortunately, however, the Federal share of vocational education funds has declined, so that an ever-increasing portion of program costs is being borne by the local and State governments.

The Federal investment in vocational education has increased from $50 million in 1963 to approximately $600 million in fiscal year 1978. Currently, its total is $784 million. While this indicates that the Federal investment is 12 times more now than it was in 1963, these figures have not kept pace with increasing local and State funds.

In 1963, state and local allocations to vocational education were $232 million, and they increased to over $5 billion currently. This is approximately 22 times the investment as compared to that in 1963.

This situation is even more revealing when Federal investments are considered with increasing enrollments in vocational programs. Between 1965 and 1976, vocational education enrollment increased by 170 percent. While student expenditures by State and local government increased from $187 in 1973 to $346 in 1979, Federal expenditures per vocational student dropped from $40 to $34.

In West Virginia, over the past 10 years the State appropriations to support vocational education kept pace with the increase in costs and enrollment through fiscal year 1981. Because of the decreased revenues, the State appropriations was reduced from the 1979 appropriation of $9,310,026 to $9,070,604 in fiscal year 1981.

Again in fiscal year 1982, the Governor has unfortunately had to ask for another reduction in vocational education funding, which will reduce our funding level to an amount of $8,569,286. To compound this problem, it appears Appalachian Regional Commission funding will be reduced or possibly eliminated.

Through the combination of ARC funding, State appropriation and local funds, we have been able to construct a modern delivery system for vocational education. The attached charts illustrate how

$33,016,319 in ARC funds have been used as an incentive for the construction of vocational facilities.

With these funds no longer available and faced with the reduction at both State and local levels, a 25 percent reduction in fiscal year 1981 and a 20 percent cut in 1982 will devastate vocational programs in West Virginia. Additional facilities will not be constructed and existing facilities will not be renovated or expanded.

Without additional facilities and equipment, many persons in West Virginia in need of vocational training will not be served. Not only will the additional secondary students requesting admission to our programs be turned away, and not only will fewer programs for special populations be available, but also that many displaced workers who are out of work will not be served.

It is paradoxical to even consider a decrease in vocational education training when the number of persons wanting training is increasing. From plant closings alone over the past year, we have had 3,784 persons lose their jobs. West Virginia's unemployment rate in January was the highest since 1975. The rate of unemployment reached 9.1 percent of the labor force.

Statistics are not available as to the actual number of miners out of work or the number that have been laid off. Without retraining, these people have no place to go. Unless Federal funds are increased or at least maintained at the present level, programs for adults will be drastically reduced. The programs that continue will operate with equipment that is rapidly becoming obsolete.

Federal funding under the Vocational Education Act has been seen by State legislatures as a source of funding for paying the additional costs of vocational education. The State is responsible for providing a free and appropriate basic education. With decreasing revenues, nothing other than a basic education can be expected.

In summary, Congressman Perkins, I ask that you continue your efforts to show other Members of Congress the catastrophic effects that will result from the proposed reduction in Federal support for vocational education. Without the help of Congress, the proposed rescission in cuts will be made at this time, when demand for vocational education is at its peak.

Not only will persons suffering from the current downturn in our economy not be served, but also our future programing will be thrown into a downward spiral from which it will take years to recover.

Congressman Perkins, I have listed also the vocational education State appropriations since 1969. And if you'll please note, in 1980 and 1981 we did appropriate $9,072,604, which was a considerable increase from 10 years ago. We are doing everything we can in the State of West Virginia to help ourselves.

We do have problems. I think you do realize that. And we have got to have help. And I thank you, sir.

[Attachments to Mr. Yanni's statement follows:]

Vocational education State appropriations as of Sept. 29, 1980

Fiscal year:	
1969 to 1970	$2,085,420
1970 to 1971	2,195,052
1971 to 1972	2,769,320

1972 to 1973	2,726,230
1973 to 1974	4,592,342
1974 to 1975	6,443,400
1975 to 1976	6,453,411
1976 to 1977	7,930,025
1977 to 1978	8,660,521
1978 to 1979	8,678,146
1979 to 1980	9,310,026
1980 to 1981	9,072,604

CONSTRUCTION FUNDS BY FISCAL YEAR—VOCATIONAL CENTERS, MULTICOUNTY CENTERS, SPECIAL SCHOOLS, COMPREHENSIVE HIGH SCHOOLS, AND COLLEGES

	Section 214	Section 211	VE	State	Local	Total construction
Fiscal year:						
1965	0	0	$50,890	$19,390	$52,000	$122,280
1966	$235,225	0	1,347,432	214,020	1,484,150	3,280,827
1967	944,403	$930,500	1,950,525	184,107	2,114,449	6,123,984
1968	766,368	250,000	1,680,631	242,951	1,257,255	4,197,205
1969	1,216,571	1,440,600	1,549,447	1,475,284	2,083,333	7,765,235
1970	544,616	2,007,693	350,000	694,227	1,118,850	4,715,386
1971	300,000	500,000	250,000	350,000	0	1,400,000
1972	1,075,000	6,501,500	1,635,200	1,730,500	1,700,000	12,642,200
1973	0	1,637,505	70,000	3,447,995	905,000	6,060,500
1974	0	2,338,280	220,000	219,490	2,277,900	5,055,670
1975	0	6,543,505	2,100,000	2,850,000	3,650,000	15,143,505
1976	0	659,000	461,500	1,839,500	790,000	3,750,000
1977	0	1,150,000	400,000	1,700,000	1,125,000	4,375,000
1978	0	0	0	130,000	0	130,000
1979	0	2,875,553	0	5,964,000	3,143,650	11,983,203
1980	0	800,000	0	800,000	700,000	2,300,000
1981	0	300,000	0	500,000	200,000	1,000,000
Total	5,082,183	27,934,136	12,065,625	22,361,464	22,601,587	90,044,995

Chairman **Perkins**. I know you have got problems and we are working on them. And you have got problems with the Appalachian regional programs in this particular area.

Let me thank you very much for your statement. We will withhold questions until later.

Dr. Shoemaker, you helped us enact a lot of these laws. It has been my pleasure to work with you many years. And I am delighted to welcome you here from our neighboring State of Ohio. You proceed at this time.

Without objection, all the prepared statements will be inserted in the record, and you proceed.

The other gentlemen went to get a bite to eat, and if anybody is hungry they better go. The cafeteria is going to close in a few minutes, as I understand it.

[The prepared statement of Dr. Byrl Shoemaker follows:]

Prepared Statement of Byrl R. Shoemaker, Executive Director of Ohio Vocational and Career Education

Congressman Perkins, members of the committee, my name is Byrl R. Shoemaker, Executive Director, Vocational and Career Education, State Department of Education in Ohio. I have served as State Director of Vocational Education since June of 1962 and have, therefore, been privileged to work with the vocational education program in Ohio with the benefits of the Vocational Education Act of 1963 and the subsequent amendments.

The Vocational Education Act of 1963 anticipated the social movements of the 1960's and directed vocational education to serve not only the needs of industry and business for skilled workers, but also the needs of people for preparation for work, including the disadvantaged and the handicapped. The 1963 Act added the responsibility for teaching the employability skills, as well as the technical skills, to persons who had not adequately been utilized in the labor force. The Vocational Education Amendments of 1968 placed even greater emphasis upon the delivery of vocational education services to the disadvantaged and handicapped, as well as providing for increased levels of authorization. The Vocational Amendments of 1976 further directed vocational education to play a stronger role in the area of equity, both sex and race, but complicated the efforts of delivering vocational education in the states through increased planning, reporting, and matching requirements. The vocational programs in the States have responded to the goals established in these acts.

I believed the reauthorization of the Vocational Education Act at this point provides Congress with the opportunity to be as perceptive about changing needs in our economic order for tomorrow as they were with the changing needs of the social order in the early sixties. This is not to say that the emphasis in vocational education to serve the disadvantaged and handicapped should not be continued, nor that the emphasis upon the issues of race and sexual equity should be forgotten. Instead, it is to suggest that the economic future of this nation rests as much upon the skill and will of its work force as it does with the means of the production and the means for defense.

With all of the unemployment in Ohio, presently about a 10 percent rate, there are shortages of workers in selected skilled occupations, not only over the whole State of Ohio, but over the whole nation. Machinists and tool and die makers are continually in short supply. Other skilled occupations, such as welders, electricians practical nurses, computer programmers, and clerical personnel, often are also in short supply. Three weeks ago our governor, James A. Rhodes, asked us to examine several of the newspapers to determine the numbers of jobs listed that could be filled by persons with vocational education training. A survey of seven city newspapers revealed a total of 4,018 jobs that could have been filled with persons who had received vocational training. This did not include any of the professional or technical level jobs that were listed in the newspapers.

Noted economists, such as Dr. Herbert Streiner, Dean at the American University, project a serious shortage of skilled workers by 1985 as we are faced with a shrinking number of graduates from our public schools and increased levels of retirements of workers who entered the labor force immediately after World War II. The needs for workers in the skilled occupations can not be met by focusing only upon the provision of vocational education services to disadvantaged and handicapped. Nor can the needs of reindustrialization and for increased productivity be met without a significant thrust focused upon the manpower needs of industry and business in a period of time when America must again be competitive in the world markets. It is true that Ohio matches every dollar of federal funds with $10 of state and local monies for vocational education. I am at a loss to understand how this successful stimulation of state and local efforts by federal investments can be used as a reason for diminishing the federal investment in vocational education, since this is probably the best example of federal, state, and local cooperation that has existed in the history of federal assistance to the states. The federal funding for vocational education has been a key factor in stimulating state dollars for the growth, development, and support of vocational education. The federal dollars have provided funds for leadership, funds for innovation, funds for quality, funds for maintaining support services, funds for maintaining a defense-ready vocational education system.

I believe that Ohio is a prime example of the wisdom of the federal investment in vocational education. In 1963, for example, we were serving 47,000 high school youth and 97,000 adults through all the vocational education in the State of Ohio. In the last year, 1980, we served a total 270,000 high school youth, 297,000 adults, and an additional 412,000 through career education services in Grades K-10.

Appendix No. 1 gives a brief review of the growth of vocational education services to youth and adults from 1969 to present.

Appendix No. 2 provides a more detailed summary of all vocational education enrollments in fiscal year 1980.

This growth in vocational education services is a direct result of federal investment in vocational education through the Vocational Education Act of 1963. That Act permitted us for the first time to use federal funds in the construction and equipping of area vocational education facilities. From 1963 to 1969, a portion of the federal funds was used to match local monies to initiate the first area vocational education centers in Ohio and then in 1969, under the leadership of Governor James

A. Rhodes, a law was passed requiring that every young person in the State of Ohio have available to them an adequate program of vocational education. Governor Rhodes' support for vocational education was a direct result of the success demonstrated by the area vocational education facilities provided in both our rural areas and major cities as he saw the relationship of training to industrial development. From 1965 to present, Ohio has spent a total of $534,615,103.00 on vocational education facilities and equipment to serve both youth and adults with $254,980,484.00 provided by local districts, $177,913,283.00 from state appropriations, and $101,721,336.00 from federal appropriations, including the Appalachian Regional Commission Act.

As a result of the law requiring an adequate program of vocational education for all youth, the State Board of Education established standards which included a goal of the enrollment of 40 percent of all youth in the last two years of high school in job training vocational education. This goal has been achieved and the State Board of Education has just set as a mission the goal of increasing this by 2 percent per year through 1985. Within our state, over 97.4 percent of all youth in the high school level have an adequate program available to them and with the strong assistance of our State Superintendent of Public Instruction, Dr. Franklin Walter, we will achieve the goal of 100 percent within the reasonable future. Our major cities have been an important part of our vocational education development in Ohio and all of our major cities have more than 40 percent of the students in the last two years of high school enrolled in job training vocational education.

The function of the Family Life program should not be ignored. There are no solutions to either the social or economic problems of our nation that do not begin with improvements in the consumer and family life of our people, particularly in the inner city sections of our major cities and in the poor areas of our states.

Our State Superintendent of Public Instruction, Dr. Franklin Walter, has called vocational education developments in Ohio perhaps the major educational success story in the last several decades. Appendix No. 3 provides information on the placement records of our graduates which indicate that five months after graduation, 92.6 percent of our youth were employed with over 72 percent of that group being employed in occupations for which they are trained. With all of the discussions that have gone on at the national level about youth unemployment, they have completely ignored the low unemployment rate of youth graduating from vocational education. They have studiously avoided the decisions that the answers rest in training the youth before they get out of high school and into the pool of the unemployed.

Appendix No. 4 is a summary of the employer evaluations that were made on graduates as required by federal regulations. Annually we must make a follow-up of employers of 20 percent of the graduates and Appendix No. 4 graphically presents the very favorable response received from employers concerning vocational education graduates placed in the occupations for which they are trained. You would note that in evaluating the vocational graduates on a 5-point scale in comparison with nonvocational graduates coming into their employ, the employers evaluated the vocational graduates at 4.48. You would also note that the employers evaluated at a lower scale those who had not completed the vocational education program, or left before graduation.

Every study that has been done on vocational education in the State of Ohio has reported its success and yet we learn that given the goal of developing jobs in the private sector instead of public service employment, it is proposed to cut the most effective and economical training program in which the government invests from $790,000,000 to $660,000,000 and at the same time, leave billions of dollars in training funds under other sections of government which have never generated any state or local matching funds in the history of such programs.

Appendix No. 5 includes a report of the study ordered by Governor Rhodes on discipline in the public schools of Ohio. The group making the study did not include any vocational educators, but the study found that there was very little problem of discipline in vocational education programs. One of the recommendations coming out of the study (on Page 8), therefore, was that vocational education should begin at the 9th grade level instead of age 16. I do not believe there is any research to support that we should begin job training vocational education at the beginning of the 9th grade, at 14 years old, but there is evidence that the process of vocational education should be studied to identify those factors which word to reduce discipline problems and then consider the applications of such practices within the rest of the educational program.

Also enclosed as Appendix No. 7 is a Governor's Study on Dropouts and Unskilled Graduates. Again, this committee found that there was not the dropout problem in vocational education that they found in the rest of education. They recommended (on Pages 16 and 17) the development of an individual career plan for each student so a youth could make a choice between a college preparatory program or a vocational education program. They question the wisdom of a so-called general education program in the last two years of high school which provides a graduate neither prepared to go to work nor prepared to go to college.

Vocational education still faces a challenge in adequately serving the needs of the disadvantaged and handicapped. Recently vocational education in Ohio has been challenged to improve the reading, writing, and arithmetic ability of the students enrolled in vocational education as measured on nationally standardized tests. The educational system has failed to provide many students at age 16 with adequate skills in reading, writing, and arithmetic. Since such skills are a part of employability and since students can often be motivated by reason of an occupational goal, vocational education will accept this challenge and has set as a goal that by 1985, vocational education students will equal or achieve the state and national norms in the "three Rs", providing that federal funding for vocational education will continue to increase in these intervening years.

The new challenges we face, however, are: (1) providing training for shortage occupations which cut across many industries; (2) providing training for new jobs or for different skilled jobs brought about by industrial change in both new and expanding industries; (3) providing for training in re-industrialization presently motivated by plans for increased national defense efforts. While industry and business will accept the enrollment of any person into a training program based upon their ability and motivation to succeed, they have told us bluntly they can not build their industries and businesses or fill their need for skilled workers under the present provisions for CETA clients. While they are mindful of a social responsibility, they also indicate their greatest social responsibility is to be productive and competitive so that they can produce a quality product that can be sold in the marketplace in competition with the foreign goods that are flooding our American markets.

Within the last six months, the calls from industry for assistance for training have increased significantly. Our Division of Vocational Education works in close cooperation with our Department of Economic and Community Development. We approach new industries, expanding industries, or industries with problems, as a team. We have organized all vocational and technical education facilities in Ohio under 24 consortiums with a coordinator for each of the consortiums who works in a cooperative relationship between top management and the schools at the local level, and the Division of Vocational Education and Department of Economic and Community Development at the State level.

To give an example of the cooperative effort between the Department of Economic and Community Development and our Division of Vocational Education, a major industry in a change of products laid off 6,000 workers in one location. This company made a very commendable social decision, to put several hundred million dollars in the remodeling and reequipping of the facilities for entirely new products and to bring the old workers back on a seniority basis into entirely new types of occupations. The company requested extensive assistance with the training problems, including, (1) the assignment of a full-time vocational coordinator to work between the schools and the industry, (2) the development of video tapes for worker orientation and training, (3) the development and printing of instructional manuals, (4) the orientation training of all workers returning to the new occupations, and (5) the job specific training in selected skilled occupations utilizing both vocational education facilities and special training units from private training sources on unique equipment or processes. Through the cooperation of our Division of Vocational Education and the Department of Economic and Community Development, an agreement was written, with one of the vocational programs in that consortium area serving as a fiscal agent and supervising educational agency.

This company plans to rehire 4,000 to 4,500 persons and all of these persons will go through the orientation training. In addition to the above items, supervisory training services were also funded in the plan. This educational program covering a period of over a year will cost approximately $750,000, but will result in 4,500 jobs for people.

Vocational education could only come up with about $350,000 of this amount and it is necessary for the Department of Economic and Community Development to obtain the remainder of the money from other sources. None of the CETA money was of any help in this operation.

Presently we have contacts from eleven corporations, asking for assistance similar to the type that we have provided to the company identified above, on an immediate basis or during the next year. The names of the companies have been omitted in

Appendix No. 7, but the anticipated training costs and numbers to be trained have been identified.

Vocational education has a delivery system to provide such training economically and effectively in cooperation with the departments of development within the state, but we simply do not have the money to invest in the reindustrialization of America. I would plead that we separate the function of training and income maintenance and provide the training funds through vocational education for a special allocation for shortage occupations, reindustrialization, and industry development and expansion on a broad enough basis to meet the challenge, with such special funds requiring the approval of the department of state government dealing with industrial and business development.

The new law needs to anticipate the needs of industry and business, for short-term training, long-term training, and individual training plans for new and expanding industry. Also, I would request that the new act should diminish the detailed planning and eliminate restrictive matching provisions.

I have included as Appendix No. 8 some specific suggestions for the reauthorization of the Vocational Education Act.

Despite the overwhelming success of vocational education in this nation and despite the fact that every investment in vocational training has brought a corresponding increase in State and local funds, the president's budget proposes to cut federal vocational funds on the basis that the program has been so successful that it will not suffer because of a cut. The president proposes a recision in the most effective and most economical job training program of $194,811,000.00 for fiscal year 1982 to a level of $584,430,000.00 with a proposed increase for fiscal year 1983 of $38,963,000.00.

At the same time the president proposes to diminish the jobs in the public service employment in favor of employment in the private sector, a cut is proposed in the funds to train workers for jobs in the private sector. The people out of work and those public service employees who will be out-of-work do not have the skills to fill jobs that now exist or will exist in industry or business. There are thousands of jobs that are open in Ohio and other states, but all of the jobs require people who have the skill and will to do the jobs.

I support the president's concept of encouraging employment in the private sector. The budget, however, leaves several billion dollars for training in a department that has had little success in the field of training except at a very high cost. It is time to make investments in training through categorical aid directed through the federal/state/local system of vocational education to: Prevent youth from dropping into the pool of unemployed. Train unemployed out-of-school youth and adults for new occupations; upgrade existing workers to higher skills levels. Meet the needs of industry for manpower for industrial expansion or redirection; train workers for shortage occupations; and meet the manpower problems of quickly expanding defense industries.

The skilled workers needed for reindustrialization do not exist. The large pool of unemployed are basically unskilled and too many have been made unwilling by all of the handouts they have received. A crash program in training is needed to serve both people and industry and business. The federal/state/local program of vocational education, with strong national leadership, can achieve this goal.

The recision proposed by President Reagan would cut $9,117,830.00 from the vocational education program in Ohio. The Governor, the State Legislature, the State Superintendent of Public Instruction, and the State Board of Education in Ohio all are supportive of vocational education as evidenced earlier in this report, but the economy of the state is not in position to pick up such a cut in funds and the people should not be required to approach the hiring gate without skills for work.

We are in the midst of developing the State Plan for Vocational Education. The proposed cut will bring about the cuts listed on Chart I in program dollars and services.

The cuts will effectively reduce services to disadvantaged, handicapped, industrial training programs, and program quality support services. The cuts listed on Chart I will be included in our State Plan budget unless the recision can be reconsidered.

My concern is not to protect the federal vocational education budget. I am suggesting that the goal of expanding private sector employment can not be reached without a massive training effort. The public vocational education system in this nation is the most effective and most economical system for meeting training needs. Vocational education programs do not produce wealth, but goods and services which produce wealth require skilled and willing workers. Training people for work is the job of vocational education in our public schools and two-year technical institutes and colleges.

WHERE WILL OHIO CUT?

Chart I

(Federal Funds only—not counting State cuts)

	1981 Budget	Federal % Cut	Persons Impacted	$ CUT	CUT TOTALS	
TOTAL CUT (1981 budget) 25%=	36,471,313				9,117,828	Note: No adjustment is made for population loss from Ohio.
QUALITY CUTS:						
Equipment reductions - replacement	1,000,000	50.00%	All JT	500,000		Cut equipment replacement
Curriculum Improvement (Subpart 3 also).	258,753	100.00%	3,000 teachers	258,753		Cut curriculum, achievement tests, occupational analysis, and handicapped/gifted training
Basic skills (math, science, reading)	826,558	100.00%	12,000	826,558		Eliminate math, science, reading, remedial and intervention prbgram
Subtotal - Quality		17.39%		1,585,311		
ECONOMIC REVITALIZATION CUTS:						
Adult, Hard-to-fill-jobs program	500,000	47.00%	2,270	233,610		Reduced training for shortage occupations.
Adult, New & expanding industries	1,573,612	64.00%	18,181	1,000,000		Reduced training for defense and industry revitalization jobs
Displaced Workers Retraining	2,000,000	25.00%	527	500,000		Reduced full-time training for displaced workers
Subtotal - Revitalization		19.01%		1,733,610		
SPECIAL SERVICES CUTS:						
Other Subpart 2:	27,065,508				6,766,377	
Stipends (OWA)	876,906	100.00%	9,000	876,906		Eliminate OWA stipends (14-15 year olds)
Disadvantaged Programs/Projects	9,034,176	17.00%	5,968	1,503,441		Reduce over allowance spent on disadvantaged
Handicapped Programs	3,316,437	25.00%	1,550	829,109		Reduce services to handicapped students
Day Care Centers	125,000	20.00%	50 per school	25,000		Cut pre-school children services of students in job training
Work-Study	413,551	27.00%	128	113,000		Cut needy student jobs in school
Displaced Homemakers	400,000	25.00%	156	100,000		Cut services to homemakers returning to job market
Sex Equity	150,000	(25% in Sub 3)		(see Sub 3)		Retain $50,000 mandatory and cut incentive grants in Subpart 3
Subpart 3:	6,098,854				1,524,713	
Curriculum (see Quality above)	80,401	100.00%	5,000tchs	80,401		Cut items listed in "Quality" - affect teachers
Research	336,000	18.00%		60,000		Cut services and reports on data processing
Teacher Education	1,556,721	23.00%	20Tchr Ed	356,500		Teacher education; workshops and supplies cut
Guidance	2,271,436	26.00%	100couns	600,000		Reduce personnel and/or rate of reimbursement
Exemplary (CarEd)	1,377,812	27.00%	26,778	377,812		Reduce Career Education K-12
Sex Bias	50,000	100.00%	All VoEd	50,000		Cut contracts (200,000 X 25%) use Subpart 2 incentives
Subpart 4 - SpecDisadvantaged	965,575	25.00%	400	241,394	241,394	8 major cities coordinators and leadership reductions
Subpart 5 - Homemaking	2,099,982	25.00%	12,236	524,996	524,996	Targeted in services to depressed areas (Family Life 46.22% cut)
Subpart 6 - Data/Planning/Evaluation	241,394	25.00%		60,348	60,348	Cut cost analysis and one professional
Subtotal - Special Services		63.60%		5,798,907		
		100.00%		9,117,828		

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APPENDIX 1

TRENDS IN VOCATIONAL EDUCATION SECONDARY ENROLLMENT

Year	Agriculture	Business & Office	Distributive	Home Economics	Trade & Industrial	Total
1969-70	16,252	21,063	10,446	60,312	26,815	135,088
1970-71	16,934	22,355	15,300	68,142	32,741	155,472
1971-72	19,684	24,485	14,567	78,654	37,628	175,018
1972-73	21,923	27,359	18,435	102,346	45,810	216,073
1973-74	22,137	28,659	19,362	114,978	51,102	236,438
1974-75	22,775	29,605	20,642	123,603	56,913	253,535
1975-76	23,706	29,985	20,834	128,298	60,750	263,573
1976-77	24,114	30,612	21,339	129,972	66,338	272,375
1977-78	23,974	29,717	21,837	122,496	69,573	267,597
1978-79	23,650(d)	28,658	21,486	130,999	69,441	274,234
1979-80	22,683(e)	27,462	21,203	125,159	68,304	264,811(f)
Percent of Total						
1978-79	8.62	10.45	7.83	47.78	25.32	100.0
1979-80	8.57	10.37	8.01	47.26	25.79	100.0

TRENDS IN VOCATIONAL ADULT ENROLLMENT

Year	Agriculture	Business & Office	Distributive	Home Economics	Trade & Industrial	Total
1969-70	10,992(a)	15,075	18,868	72,330	72,182	189,647
1970-71	12,928	19,047	24,595	73,322	76,663	206,525
1971-72	14,671	28,345	30,266	66,134	73,507	212,923
1972-73	17,436	31,156	47,043	39,756	83,033	218,424
1973-74	16,775	39,380	55,074	30,238	97,405	238,872
1974-75	17,255	37,564	62,078	36,918	106,520	260,335
1975-76	17,478	43,712	48,765	46,041	107,791	263,787
1976-77	17,321	25,560	46,839	36,782	104,156	230,658
1977-78	18,200	28,448	37,111	46,508	114,731	244,998
1978-79	20,771(d)	29,764	42,400	42,750	119,488	255,173
1979-80	21,354(e)	31,763	67,841	47,762	128,081	296,801
Percent of Total						
1978-79	8.14	11.66	16.62	16.75	46.83	100.0
1979-80	7.19	10.70	22.86	16.09	43.16	100.0

TRENDS IN TOTAL VOCATIONAL EDUCATION ENROLLMENT

Year	Secondary	Adult	Career Education	Grand Total
1969-70	135,088(a)	189,647	7,004	331,739
1970-71	155,472	206,525	26,963	388,960
1971-72	175,018	212,923	39,647	427,588
1972-73	216,073	218,424	128,424	563,266
1973-74	236,438	238,872	143,827(b)	619,137
1974-75	253,535	260,335	172,137(c)	686,007
1975-76	263,573	263,787	174,705	702,065
1976-77	272,375	230,658	171,993	675,026
1977-78	267,597	244,998	283,917	796,512
1978-79	274,234(d)	255,173	287,490	816,897
1979-80	264,811(e)	296,801	412,610	974,222(f)

(a) Ohio Trends in Vocational Education 1963-
(b) Includes 130 in Prepostsecondary
(c) Includes 56 in Prepostsecondary
(d) NCES 2404-A,B FY79 Vocational Education Summary
(e) FY80 Executive Summary of VEDS Information
(f) does not include Special Needs enrollment of 5,625

RSEEgs 3-4-81

APPENDIX 2

FISCAL YEAR 1980
STATE

STATE OF OHIO
DEPARTMENT OF EDUCATION
DIVISION OF VOCATIONAL EDUCATION
RESEARCH, SURVEY, EVALUATION AND EXEMPLARY PROGRAMS

PROG-PSN4MC
PAGE 1

EXECUTIVE REPORT OF VEDS INFORMATION
NOVEMBER 26, 1980

		TOTAL ENROLL-MENT	PROGRAM LEVEL: SECONDARY BELOW GR 11	ABOVE GR 10	TOTAL	POST SEC. ASSOC. DEGREE	ADULT LONG TERM	SHORT TERM	APPREN.	TARGET GROUPS: HANDI-CAPPED	LIMITED ENGLISH PRO.	DISAD-VANTAGE	COOPERATIVE: SEC.	POST-SEC.	NON PROFIT PRIV. SCHOOL ENROLLMENT TOTAL	(COOP)	PROGRAM: JOB TRAINING COM-PLETERS	LEAVERS
AGRICULTURE EDUCATION	M	33685	9421	9426	18847	1143	1671	12024		586	62	1580	713	117			6625	788
	F	10352	1224	2612	3836	666	1303	4547		133	1	428	159	49			2311	303
	T	44037	10645	12038	22683	1809	2974	16571		719	63	2008	872	166	399		8936	1091
DISTRIBUTIVE EDUCATION	M	41994	6550	4563	11113	536	6269	26170		482	22	7464	9298	532			7332	450
	F	47050	3596	6494	10090	500	4280	30080		236	14	5144	7694	1078			10443	673
	T	89044	10146	11057	21203	1036	10549	56250		718	36	12608	16992	1610	672	592	17775	1123
HEALTH EDUCATION	M	13011		232	232	525	265	11989		47	10	228	58	20			487	161
	F	25833		3774	3774	4547	4484	13028		264	15	3132	940	169			5798	2002
	T	38844		4006	4006	5072	4749	25017		311	25	3360	998	189	21	3	6285	2163
HOME EC. GAINFUL	M	2688		1644	1644	64	363	617		268	7	1065	435	21			923	343
	F	13175		6407	6407	444	1392	4932		883	15	3796	1421	310			4185	1218
	T	15863		8051	8051	508	1755	5549		1151	22	4861	1856	331	16	1	5108	1561
HOME EC. USEFUL	M	31703	9679	17871	27550			4153		1121	48	8827						
	F	125155	52500	37058	89558			35597		3955	309	35949						
	T	156858	62179	54929	117108			39750		5076	357	44776			1449			
HOME EC. EDUCATION	M	34391	9679	19515	29194	64	363	4770		1389	55	9892	435	21			923	343
	F	138330	52500	43465	95965	444	1392	40529		4838	324	39745	1421	310			4185	1218
	T	172721	62179	62980	125159	508	1755	45299		6227	379	49637	1856	331	1465	1	5108	1561
BUS & OFF EDUCATION	M	5922		1853	1853	1644	272	2153		114	12	713	221	232			1519	663
	F	53303		25609	25609	3350	2739	21805		529	70	7863	3986	534			16083	2648
	T	59225		27462	27462	4994	3011	23958		643	82	8576	4207	766	488	273	17602	3311
TECHNICAL EDUCATION	M	5758				5131		627		33	33	607		1265			1364	1336
	F	945				724		221		8	2	121		139			230	158
	T	6703				5855		848		41	35	728		1404			1594	1494
T & I EDUCATION	M	130695		51072	51072	16	6731	60561	12315	2829	157	24287	13502	104			26332	6800
	F	18143		13226	13226	16	832	3726	343	565	29	7084	5686	91			6341	1890
	T	148838		64298	64298	32	7563	64287	12658	3394	186	31371	19188	195	399	118	32673	8690
CAREER EDUCATION	M	211559	210227	1332	211559					19942	1959	72677						
	F	201051	199815	1236	201051					11767	1638	67143						
	T	412610	410042	2568	412610					31709	3597	139820			6288			
SPEC NEEDS EDUCATION	M	3144		2823	2823		12	309		945	26	2221					1650	20
	F	2781		2438	2438			343		509	5	2280					1556	12
	T	5925		5261	5261		12	652		1454	31	4501					3206	32
STATE TOTAL	M	483159	235777	90816	326593	9059	15583	118611	12315	26367	2336	119609	24219	2273			46232	10489
	F	499988	257235	98854	356089	10247	15030	116279	343	18849	2098	130940	19886	2370			46937	8984
	T	983147	493012	189670	682682	19306	30613	234890	12658	45216	4434	250549	44105	4643	9732	997	93169	19473

147

APPENDIX B

STUDENT FOLLOW-UP - 1980
(1979 class)

Completers by level	"N" COUNTS			PERCENTAGES		
	SECONDARY	POST SECONDARY	L.T. ADULT	SEC	PSS	LTADULT
1. EMPLOYED - RELATED FIELD	32,301	3,718	11,690	72.27%	88.19%	90.87%
2. EMPLOYED - NON-RELATED	9,112	367	847	20.39	8.70	6.58
3. ADDITIONAL EDUCATION	8,617	756	243	13.77	12.51	1.62
4. UNEMPLOYED	3,283	131	328	7.34	3.11	2.55
5. NOT IN LABOR FORCE	2,933	113	264	4.68	1.87	1.76
6. STATUS UNKNOWN	6,334	958	1,661	10.13	1.56	11.05
7. TOTALS	62,580	6,043	15,033			
TOTAL - ALL COMPLETERS	83,656					

NOTE: 1-2-4 ARE CALCULATED ON INTERNAL TOTALS OF PERSONS AVAILABLE FOR PLACEMENT.
3-5-6 ARE CALCULATED ON THE LINE #7 TOTAL.

SOURCE OF DATA:
NCES Form 2404-7 Part A(1) November 10, 1980
Ohio VE23S

APPENDIX 6

EMPLOYER FOLLOW-UP - 1980

SAMPLE "N" = 12,829 FROM PRIDE FY81 DISTRICTS

STUDENTS USED = THOSE COMPLETERS/LEAVERS IN "RELATED"

RATING SCALE = 5-POINT MEAN MAXIMUM

STATUS	LEVEL	------MEAN OF EMPLOYER RATINGS-------				RELATIVE PREPARATION COMPARED TO NON-VOED EMPL
		TECHNICAL KNOWLEDGE	WORK ATTITUDE	WORK QUALITY	OVERALL RATING	
Completers	SECONDARY	4.11	4.25	4.20	4.18	4.48
	POSTSECONDARY	4.08	4.27	4.13	4.09	4.38
	LT ADULT	4.74	4.76	4.77	4.75	4.78
Leavers						
DROPPED OUT +50%	SECONDARY	3.63	3.85	3.84	3.82	3.86
	POSTSECONDARY	5.00	5.00	5.00	5.00	5.00
	LT ADULT	3.77	3.83	3.76	3.80	4.48
DROPPED OUT -50%	SECONDARY	3.37	3.41	3.44	3.44	3.29
	POSTSECONDARY	4.04	4.19	4.19	4.10	3.50
	LT ADULT	3.52	4.00	3.52	3.80	3.28
AGRICULTURE		4.32	4.42	4.40	4.34	4.56
DISTRIBUTIVE		4.77	4.80	4.81	4.79	4.85
HEALTH		4.26	4.28	4.24	4.26	4.34
HOME ECONOMICS RELATED		4.08	4.09	4.12	4.08	4.40
BUSINESS & OFFICE		4.21	4.36	4.26	4.26	4.40
TECHNICAL		4.29	4.49	4.33	4.32	4.71
TRADE & INDUSTRIAL		3.99	4.12	4.09	4.07	4.37
SPECIAL NEEDS		5.00	5.00	5.00	4.00	5.00
ALL VOED		4.37	4.45	4.43	4.41	4.59

Appendix B

DISCIPLINE REPORT: GOVERNOR'S TASK FORCE
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GOVERNOR'S TASK FORCE ON SCHOOL DISCIPLINE
1979-1980

Everett L. Jung, M.D., Chairman
Orthopedic Surgeon, Hamilton
Member and Past President, State Board of Education

Irene G. Bandy, Director for Administration
Ohio Department of Education

Jean Bartoo, Director of Pupil Services
North Olmsted City Schools, North Olmsted

Wells Didlick, Teacher
Withrow High School, Cincinnati

John Durant, Principal
Bishop Watterson High School, Columbus

Bertha Foreman, President
Cleveland PTA Council

Geneva Jackson, Teacher
Marion Franklin High School, Columbus

Gerald Jorgenson, Associate Professor of Education
John Carroll University, Cleveland

Bryce Kendall, Attorney
Past President, Ohio School Boards Association

Robert Lucas, President
Wilmington College, Wilmington
Past President, Ohio PTA

Maurice Pfeifer, Principal
Washington High School, Washington Court House

Europe Smith, Teacher
West Junior High School, Akron

Robert Smith, Superintendent
Sandusky City Schools, Sandusky

Henry Wilkins, Principal
Lincoln-West High School, Cleveland

Terry Wyatt, Teacher
DeVilbiss High School, Toledo

INTRODUCTION

Governor's Executive Order

On April 4, 1979, James A. Rhodes, Governor of the state of Ohio, signed and issued an Executive Order creating the Governor's Task Force on School Discipline. The Executive Order indicated that school vandalism results in extraordinary losses to school property, equipment and facilities resulting in disproportionate losses in educational talent, expenditures and resources in Ohio. The order also indicated the consequences to students and teachers from serious discipline problems. The task force was charged with three primary responsibilities:

1. To assess the status and determine the cause of student discipline problems and violence in Ohio schools;
2. To develop recommendations, based on the task force's review and analysis, for the implementation of methods to identify, correct, and remedy school discipline problems which could be adopted as policy by local boards of education or the State Board of Education; and
3. To develop recommendations, based upon the above review, for legislative consideration of statutory modifications, or for the repeal or enactment of policies conducive to correcting discipline problems.

The task force worked closely with the Ohio Department of Education in reviewing and analyzing disciplinary problems and vandalism conditions related to Ohio's public schools. The task force was comprised of people in education with an understanding of school discipline:

Everett L. Jung, M.D., Chairman
Orthopedic Surgeon, Hamilton
Member and Past President, State Board of Education

Irene G. Bandy, Director for Administration
Ohio Department of Education

Jean Bartoo, Director of Pupil Services
North Olmsted City Schools, North Olmsted

Walla Didlick, Teacher
Withrow High School, Cincinnati

John Durant, Principal
Bishop Watterson High School, Columbus

Bertha Foreman, President
Cleveland PTA Council

Geneva Jackson, Teacher
Marion Franklin High School, Columbus

Gerald Jorgenson, Associate Professor of Education
John Carroll University, Cleveland

Bryce Kendall, Attorney
Past President, Ohio School Boards Association

Robert Lucas, President
Wilmington College, Wilmington
Past President, Ohio PTA

Maurice Pfeifer, Principal
Washington High School, Washington Court House

Europe Smith, Teacher
West Junior High School, Akron

Robert Smith, Superintendent
Sandusky City Schools, Sandusky

Henry Wilkins, Principal
Lincoln-West High School, Cleveland

Terry Wyatt, Teacher
DeVilbiss High School, Toledo

Process of Study

The organizational meeting of the task force was held on May 1, 1979. Governor Rhodes shared with the members his concern about the importance of their assignment. Franklin B. Walter, Superintendent of Public Instruction, offered the assistance of the staff of the Department of Education. The task force adopted the following proposed activities:

1. To conduct seven regional meetings throughout Ohio to hear testimony relating to state and/or local level solutions to school discipline problems;
2. To gather written testimony on solutions to school discipline problems;
3. To review literature and survey research pertaining to violence and vandalism in schools; and
4. To visit schools in an attempt to assess the magnitude of the discipline problem and to identify factors associated with high and low levels of violence and vandalism.

The regional meetings were held throughout Ohio (see Appendix A) to provide a forum for finding solutions to school discipline problems. Speakers representing the following groups were invited to offer testimony: board members, school administrators, teachers, students, parents, educational organizations, civic organizations, police and fire departments, college and university faculties, government agencies, professional associations, the legislature, and the courts. In addition, an open time was set aside to provide the opportunity for other interested parties to testify. Press releases were distributed prior to each meeting announcing the date, time, and place of the meeting, and encouraging the public to attend and share its recommendations with the task force.

Written testimony and over 90 printed documents related to discipline and vandalism (see Appendix B) were received and reviewed by task force members. The documents included: studies made on the topic by educational and noneducational organizations; local school district discipline codes and policies; and articles and reports discussing the problem, its causes, and possible solutions.

In order to view first hand the problems of vandalism and misconduct, task force members visited schools and talked to staff members and students. The schools were located in city, suburban, and rural areas.

The task force found that educational opportunities are growing and dynamic, meeting certain human needs, and are expanding across economic and ethnic lines to develop greater respect among people. Interaction between task force members and those testifying made clear the willingness of everyone to cooperate in finding and implementing solutions to school vandalism and disciplinary problems. A desire was expressed to stress once again basic attitudes and values and to set standards of acceptable conduct for students in the schools of Ohio.

Other basic beliefs held by members of the task force as a result of their study are as follows:

1. Discipline is essential for learning. The maintenance of an atmosphere where good teaching and learning can take place is important for every teacher and student.
2. The building principal and the classroom teacher are the keys to successful discipline.
3. Every organization concerned with public education should assist in developing a policy to provide the necessary support for school personnel to achieve good discipline. This policy should include early identification, referral, evaluation, and plan of action components.
4. Due to a variety of reasons, there exists a different level of communication and cooperation between the home and the school. Coming together to discuss issues, share responsibilities, and implement solutions must become the goal of every parent and every school staff member.
5. Firmness, fairness, and consistency in implementing discipline codes in the schools and legal codes in the courts are imperative. Only through this type of atmosphere will students, parents, and school staff members know the roles and responsibilities that are theirs.

The task force recommendations are based upon the premise that all citizens, school boards, administrators, principals, classroom teachers, parents, students, legislators, local social agencies, state agencies, and state administrative offices will be able to unite in an effort to solve the problem and significantly and continually direct resources to alleviate the problem. The task force recommendations are unique in the degree of specificity and practicality they display. Many of them necessitate the involvement of parents and practicing teachers without the expenditure of additional funds. However, other recommendations do suggest some programs that will require additional funds.

There are several important areas stressed within the task force report. Remedial help and counseling must start at a very early age. The task force has recommended many programs to increase parental awareness and cooperation in solving discipline problems. It has recommended more aides, social workers, resource persons, and security personnel to provide specialized services and handle non-classroom duties as well as involve all social agencies of the community that work with young people.

Recommendations have been made concerning teacher and administrator requirements which emphasize the detection and prevention of behavioral problems. Other suggested certification requirements include courses in building and classroom management.

The task force has recognized the need for special schools, classes, and innovative programs. More curricula must be geared to the interests and needs of students, and, in particular, the chronically disruptive students, so that all students can receive the full benefit of their educational programs. It is the opinion of the task force that curriculum alternatives for disruptive students are equally as important as many other special education programs which are presently funded.

The task force recognizes the development of a fair and firm school discipline code which includes alternatives to suspension and expulsion. It appeals to the juvenile justice system of Ohio to enforce a truancy code which is workable, both for the benefit of youngsters who are disruptive as well as for those youngsters trying to achieve an education.

This report is submitted to the Governor of Ohio by the Task Force on School Discipline for the purpose of addressing the problems of vandalism, lack of discipline, and disruption occurring in some schools. It is with deep concern for the students of Ohio who wish to pursue, eagerly and without disruption, an education to make them gainful and meaningful members of society, that the task force members make the recommendations in this report.

A SEARCH FOR SOLUTIONS

Who is Responsible

A continuing effort of the task force was to determine the primary cause of problems associated with a lack of discipline in some schools and classrooms. As the task force discussed the problem and listened to testimony, it became apparent that no single group of persons—parents, teachers, students, or school administrators—is solely responsible. Some persons who testified or submitted written material claimed that one group or another was primarily responsible. At various times, for example, it was stated that:

- Teachers are untrained and incompetent to deal with even minor disruptions.
- Students assert their rights without concern for their companion responsibilities.
- Parents fail to set appropriate standards for their children or support authorities who attempt to do so.
- Administrators fail to set appropriate standards for teachers and students or, when standards exist, to administer them consistently.
- Society is less disciplined and more violent, which is reflected in the schools.

As these statements reflect, the task force found neither verbal nor written evidence indicating that one or another of these groups was solely and consistently responsible for a lack of discipline and rise in vandalism where such problems exist. Rather, the causes are varied, inconsistent, and complex, which made the search for solutions difficult. Since all groups appear to be involved in the problem, all groups should be involved in solving the problems.

Through testimony heard in statewide hearings, the task force recognizes the inequities in the application of law and justice in the state of Ohio as regards discipline, vandalism, teacher assaults, and the liability for same. It would urge the Governor to initiate a review of the statewide system of equal justice under the law. The task force believes that such a review would alleviate some of the problems teachers and administrators have in the administration of discipline in the schools.

This review should concern itself with reasonable, expeditious application of equal law administration over the state. It should ensure the following: 1) the system should promptly consider cases of juvenile crime, including disruption and vandalism in schools; 2) the system should deter juvenile crime; 3) behavior modification and rehabilitation should be effected while juvenile offenders are under the jurisdiction of the correctional institutions of this state; and 4) the system should address itself to the problem of truancy.

Along with complexity of cause, the search for solutions was confounded by the specific nature of some of the problems associated with a lack of discipline and high incidence of vandalism. Some schools and school districts have a greater incidence of problems because of factors existing only in those districts. When the task force began to develop recommendations, it was necessary to consider the situation within a particular district when examining both the nature of the problem and the approaches to solving the problem that were recommended by persons testifying from that district.

Criteria for Recommendations

Because of the two factors, complexity of cause and specificity of problems, the task force utilized the following broad guidelines as criteria for recommendations:

- A recommendation must apply to any school district in the state of Ohio that wishes to implement the recommendation:

The task force believes that the solutions should be applicable to any rural, suburban, or urban school district in Ohio. Recommendations should not be applicable only to a small number of districts. Furthermore, since the causes of problems in the districts vary the recommendations should be broad enough to take these multiple causes into account.

- The recommendations must apply to and/or be understood by parents, teachers, students, administrators, and school board members.

The task force believes that the ultimate solution to problems of vandalism and discipline will require the cooperation and understanding of all citizens of the state of Ohio. In a specific district, the entire community must become involved. Therefore, the recommendations should apply to everyone involved in their total impact. No recommendation should require, or allow, one group of persons to take sole responsibility for the implementation of a solution, nor should a recommendation be so precise it is only understood by one group.

- A recommendation must be capable of implementation.

The task force believes it should be possible to implement every recommendation. Solutions were selected which could be reached within a realistic framework.

The Search for Solutions

The search for solutions within these guidelines was facilitated by the characteristics of the members of the task force. Many are parents who have previously had or now have students in Ohio schools. Among the 15 members of the task force, there are one PTA president, four classroom teachers, four principals, one superintendent, one member of the State Department of Education, one member of the State Board of Education, one college president, one person representing local school boards, and one college professor.

The members of the task force were broadly representative of those who were in the best position to propose recommendations for solutions. Each person, representing different constituencies, could filter the verbal and written testimony as respective representatives of that group.

As the task force began to develop recommendations, consensus was sought among the membership. Much discussion for clarification was held, and many recommendations were approved unanimously. In cases where differing attitudes or approaches were presented, a compromise position was taken in favor of a realistic approach to solving discipline problems as seen by the majority of the task force members.

An Approach to a Solution

The recommendations of the task force are the means by which schools or school districts in the state of Ohio more appropriately may meet discipline and vandalism problems. To arrive at these recommendations, the task force examined school and school district programs that have successfully alleviated problems associated with a lack of discipline and high incidence of vandalism.

As the task force examined the testimony, common elements began to be apparent in successful programs. It was evident to the task force that the existence of these elements in a school program would greatly reduce or eliminate problems associated with the lack of discipline. The following are some of these common elements:

1. Districts which have successfully reduced discipline and vandalism problems have openly recognized and described the problem. If this is not done, problems may exist and not be addressed. The necessary first step for any district interested in solving discipline and vandalism problems is to identify the problems that exist. The recommendations that follow in this report include specific approaches for districts to use in the identification process.

2. Districts which have successfully reduced discipline and vandalism problems have involved school board members, parents, teachers, students, and administrators in the search for solutions to existing problems. A wide spectrum of individuals and groups in a community should become involved in both the identification of problem areas and the selection of approaches to solve the problems. This is as true for individual schools as it is for school districts. This report includes recommendations for achieving this involvement.

3. Districts which have successfully developed approaches to solve discipline and vandalism problems have clear procedures defining the expectations for and responsibilities of many groups in the community. The approach to solving problems was, therefore, understood by all. This was equally true for teachers, administrators, and students. This report includes recommendations that highlight the importance of these procedures.

4. Whatever the specific approach selected, successful districts tended to support the approach on a community-wide basis. Members of the school board, the superintendent, principals, teachers, students, and parents were familiar with what was being done, and were actively involved in working toward success.

5. Although all persons play an important role in the successful implementation of a project, the crucial nature of the role of the principal is paramount. According to verbal and written testimony, a principal who is successful in reducing discipline problems and vandalism:
   - provides clear expectations and guidelines for the teaching staff;
   - cooperates with the teaching staff in the establishment of workable expectations;
   - supports the teaching staff as the guidelines are fairly and consistently enforced;
   - communicates with and utilizes the assistance of adults in the school community;
   - receives support from the superintendent of the school district and from the school board;
   - has the authority to make decisions that lie within the purview of the building.

   The recommendations in this report include suggestions for supporting principals in carrying out these tasks.
6. The classroom teacher is central in implementing a workable approach to reducing problems associated with a lack of discipline in schools. Verbal and written testimony suggested that teachers who successfully reduce discipline problems:
   - provide clear and realistic academic and behavioral guidelines for their students;
   - involve the parents of students when discipline problems occur;
   - utilize specific intervention techniques, both academic and behavioral, when discipline problems occur;
   - have the support of the school administrator in implementing a fair and consistent discipline code.

   The recommendations in this report include suggestions for supporting teachers in carrying out these tasks.
7. Districts which developed successful approaches addressing discipline problems included academic components. Students having behavior problems are often the students having difficulty learning at appropriate rates. Adjustments in the standard school curriculum, or specific remedial assistance, may be required to assist these students.
8. Certain students have behavioral problems which are so severe the students cannot function in regular classrooms despite the adjustments made by the regular classroom teacher. School districts which have developed successful programs have alternative school programs for these students, either within the school building or in another setting. This report includes recommendations for developing such alternatives.
9. Although most disruptions occur during the junior high school years, the roots of the problems often begin early in a student's school life. Early intervention programs are necessary to identify students with potential problems and to implement effective programs at the primary school level.

The task force believes that these common elements included in successful school programs can be incorporated into all districts in Ohio through the following recommendations.

RECOMMENDATIONS

In recommending that the Governor of Ohio, the Ohio Legislature, the Ohio Department of Education and the State Board of Education, and local boards of education consider the following recommendations, the Governor's Task Force on School Discipline is aware of the massive number of major priorities competing for attention. However, the task force respectfully submits that there is no greater priority in Ohio education than that of developing and maintaining an atmosphere in the classroom in which meaningful teaching and learning takes place. The entire educational structure, starting with the State Board of Education, expects that this highest priority will be met with strategic initiatives to acquire an adequate financial commitment at all levels to assist local communities and local school officials in addressing the problem. The recommendations in this report are extensive in number and scope because of the complexity of the educational system and because the task force is addressing both the needs of those victimized by crime and disruption in schools and the needs of those responsible for crime and disruption in schools.

There is no doubt that crime and disruption in schools is interrelated with many factors beyond the direct control of our schools. These include mental health, changes in family institutions, child abuse, community group tensions, ethnic relationships, drug abuse, generation communication and appreciation gaps, acceptance of violence through media and modern literature, disrespect of government and authority, and cumbersome due process procedures. Crime and disruption in our schools will continue to be a problem and, to some extent, insolvable insofar as it is interrelated with these factors. Those areas which are under the direct control of our schools, such as increasing student competence in the basic skills and building student responsibility, will assist in the solution of the problems of crime and disruption in our schools.

Recommendations to the State Board of Education and the Department of Education

This section addresses that portion of the Governor's Executive Order which requested state level educational policy development. The following recommendations are directed to the State Board of Education and the Ohio Department of Education.

1.1 In order to assure that educators gain updated skills, the Ohio Department of Education should develop regional inservice sessions throughout the state to instruct participants in existing, workable techniques to prevent disruptive classroom behavior and to manage disruptive students.

Attendance shall be mandated through the state minimum standards and consist of a team representative of elementary and secondary administrators and teachers from each school district. This team shall be required to develop and implement a dissemination plan for their total local district staff.

1.2 The State Board of Education should seek additional resources for carrying on the extraneous programs delegated to local school districts. The activities for which the schools have responsibility and for which staff time and other resources are used include: administrating driver education, managing activity funds, enforcing immunization programs, and coordinating food programs. The importance of these programs for all children is great; however, the programs require staffing so that existing teachers and principals can perform their primary function of teaching and admiistrating.

1.3 The State Board of Education should provide guidelines or models to promote alternative programs for students displaying disruptive behavior or who are not benefiting from the regular programs offered in school. Many suggestions were brought to the task force which could provide the State Board of Education with exemplary and innovative programs to be used as models for school districts.

1.4 The State Board of Education should make every effort to acknowledge, promote, and reward, through innovative program funds, alternative programs which are developed in individual districts that are helping to resolve the problems of discipline. Such alternative programs, determined to be successful locally, should be made available to all other districts in the state.

1.5 Effective January 1, 1982, certification requirements for teachers and administrators should include courses in 1) the management of disruptive students, and 2) building and classroom management. These courses should be offered in the institutions approved by the State Board of Education for teacher preparation in Ohio.

It will be important to assess what is offered now and to make recommendations of a practical nature as to the content of the courses.

1.6 Effective January 1, 1982, certification requirements for all administrators and pupil personnel workers should include preservice course content in developing strategies for 1) the prevention and reduction of crime and disruption in schools, 2) the protection of property and personnel, and 3) promoting effective human relations. These courses shall include a study of the juvenile justice system, family and social agencies, family and community life, and school law related to due process in discipline situations in Ohio.

1.7 In order to serve all students in need of special services, funds should be requested to meet the need for additional units for behaviorally handicapped students, as mandated by P.L. 94-142 and H.B. 455.

1.8 The State Board of Education should develop and provide flexible programming in vocational education, in addition to the present junior/senior programs, to meet the individual needs of students in grades 7 through 12. Additional state funds shall be made available for these programs.

1.9 Testimony presented to the task force referred to a variety of school organizational structures. Therefore, the State Board of Education should establish standards which will address the concerns of class size, building size, and staff/student ratios as they relate to minimizing disruptive behavior. The State Board shall seek sufficient funds to provide the necessary staff, support staff, and facilities necessary to meet the mandates.

1.10 The State Board of Education should require local school boards to develop and publicize referral policies for the early identification of students whose behavior suggests they may develop more serious behavior problems. Early identification includes children beginning their schooling in kindergarten or first grade, as well as students at any grade level whose behavior suggests a developing problem. Personnel to be included in the referral policy may include the school nurse, school psychologist, counselor, special teachers, visiting teacher, and appropriate community agency representatives.

When students have been idenfified, appropriate intervention strategies should be implemented and monitored to prevent the development of more serious behavior problems.

1.11 The State Board of Education should establish a cooperative relationship with other state agencies providing services to children in order to assure accurate information and referral policies at the state and local levels.

1.12 An in-depth feasibility study, regarding the provision of county or regional residential education and rehabilitation institutions for those students who have been excluded from a public school by expulsion, should be conducted by the State Department of Education. These schools shall be educational institutions, managed by the Department of Education. They shall not be mental health or correctional institutions, but rather schools designed for youngsters unable to succeed in schools and alternative programs.

A multitude of empty school buildings exist in Ohio which can be converted to residence schools with ease, as facilities and classrooms already exist in these buildings.

Recommendations to Local Boards of Education

This section addresses that portion of the Governor's Executive Order which requested local school district educational policy development. The following recommendations are directed to local boards of education.

2.1 Each local school district should establish a committee to analyze conditions relating to truancy, vandalism, and lack of discipline within the district. The committee should include elementary and secondary school teachers, administrators, parents, students, and other staff and community members.

The committee should:

- determine if significant problems relating to truancy, vandalism, and lack of discipline exist in the district or in individual schools within the district and the specific nature of the difficulties;
- review the concept of students not being allowed to leave the building (closed school) as a way of managing disruptive behavior;
- plan and carry out projects aimed at improving the situation if a problem exists;
- be responsible for monitoring conditions relating to truancy, vandalism, and lack of discipline by maintaining records of incidents that occur and analyzing the records periodically for problem areas.

2.2 Every junior and senior high school in the state should establish a school discipline council consisting of parents, teachers, students, administrators, custodians, and other staff and community members. Whenever possible, the council should be incorporated into previously existing groups such as the PTA and student council.

The council should:

- develop and assist in implementing approaches to solving any existing problems in the areas of truancy, vandalism, and lack of discipline;
- conduct monthly tours of the building to identify areas prone to vandalism or that have been vandalized.

2.3 Local school boards should actively support and sponsor activities to increase student involvement in the school and community. Extracurricular activities should be made sufficiently available, and the involvement of teachers and students should be encouraged.

2.4 Twice per year, each building should hold parent teacher conferences for the purpose of discussing, on a face-to-face basis, the problems or progress of the student. These conference days shall be separate from scheduled "open houses."

2.5 Local boards of education should encourage parent organizations to take leadership roles in the establishment of communication among parents, teachers, administrators, and students in schools.

2.6 Each school district should develop and adopt a discipline code and publish it in the form of a handbook. The handbook should include a digest of relevant state laws and local regulations concerning student and parent responsibilities and rights. It should be distributed to every student, family, and school employee, and local juvenile court judge at the beginning of each school year and at other times as appropriate. The handbook also should be provided to local newspapers for dissemination prior to the start of each school year.

2.7 Each school district should develop, adopt, and implement a written policy for teachers and administrators detailing their responsibilities, rights, and operating procedures in the area of discipline. Information pertaining to relevant laws and local regulations should be included. This policy should be distributed at the beginning of each school year and other times as appropriate.

2.8 A local board of education, through the recommendations of the local superintendent, should be enabled to designate a "security coordinator" for each building in the district. The duties of the security coordinator may include: 1) coordination of security arrangements; 2) training and assignment of security guards; 3) assisting the principal to improve community involvement; 4) developing emergency plans related to intruders, bomb threats, and trespassers; 5) supervising prompt repairs of vandalized areas and the removal of graffiti; and 6) developing approaches to address problem areas such as parking lots.

The building "security coordinator" would be a member of any school committee addressing problems associated with discipline and vandalism.

2.9 Each school district should establish guidelines for transfer policies in districts where there is more than one school at each level, permitting students to transfer to a school whose program more closely matches their needs and interest.

2.10 Each school district should develop alternative educational programs for students whose behavior makes it impossible for them to be taught within the regular school program. The alternatives might be in the same school the student regularly attends (such as an in-school suspension program), in another school within the district (the student may be transferred), in a night school or adult education program, or in special schools or programs specifically suited for students with serious behavior difficulties. Since no one alternative is right for every district or student, a variety of alternative placements should be considered by each district.

2.11 Students who are suspended from school should have access to services which are separate from those available in the building in which the difficulties occurred. Where appropriate, the families of suspended students also should be involved. Each student and his or her family should be made aware of local health and social agencies that may be of assistance.

2.12 An elementary guidance program should be developed in each local school district, beginning at the kindergarten level. The guidance counselors should work with teachers to identify youngsters with potentially severe behavioral problems as early as possible. Appropriate intervention programs, both psychological and educational, should be developed for these students.

2.13 The local school board should establish an expulsion policy to address the problem of student possession of alcoholic beverages, drugs, or weapons while on school premises or at extracurricular activities. Upon the discovery of such items in the possession of a student, the parent or guardian and proper law enforcement agencies shall be contacted immediately and expulsion proceedings started.

2.14 School boards should consider procedures that place the responsibility for restitution of damages on the student in addition to the parent or guardian. Students caught committing acts of vandalism should be made to work off the cost of repair or replacement when such a procedure is consistent with the nature of the vandalism and the characteristics of the student committing the act.

2.15 Each local school board should provide training for all support personnel, such as paraprofessionals, substitute teachers, lunchroom staff, etc., to handle disruptive students. Each person should become aware of positive techniques that prevent disruption from occurring, as well as techniques for coping with students who have behaved inappropriately.

2.16 Each local board of education should review the local social and community agencies providing services to children and youth. Both the purposes of the agencies and procedures for referral should be identified. The local board should then develop procedures to insure the prompt and appropriate utilization of these agencies as warranted.

Recommendations to the Ohio Legislature

This section addresses that portion of the Governor's Executive Order which requested legislative consideration of statutory modifications, repeal, or enactment of policies. The following recommendations are directed to the Ohio legislature:

3.1 Legislation should be enacted which permits juvenile judges to require juvenile offenders' parents or guardians to attend all counseling sessions regardless of the students' ages, as long as they are under the jurisdiction of the school. If parents or guardians cannot afford such counseling, local social agencies shall be used to achieve such student/parent counseling.

3.2 Legislation should be enacted requiring local boards of education to maintain insurance coverage of school personnel for physical or property damage resulting from lawful response to violence or vandalism in a school. Legislation should also provide protection from liability arising from the reporting of acts or threats of acts of violence or vandalism to appropriate local authorities.

3.3 Ohio law should state that as long as a student is in school, regardless of age, his or her parents or guardians shall be informed of and present at all hearings, procedures, and disciplinary actions involving their children.

3.4 Willful violations of school enrollment and attendance laws by a parent or guardian should be determined a more serious offense.

3.5 A conviction of assault and battery on a school employee by a person 14 to 18 years of age should carry the same penalty as for adults. Those assaults perpetrated by individuals under 14 should remain in the jurisdiction of the juvenile courts.

3.6 Any youngster who has been convicted of assault and battery on a school employee shall not return to the same school building for the completion of his or her education, but be transferred to a different building even if that necessitates transportation to an adjacent district. Any costs which arise shall be borne by the parents of the offender.

3.7 Labor laws should be revised to permit the employment of 14 and 15 year olds in a part-time work/vocational education program when such programs are approved by the juvenile judge for the purpose of rehabilitating a juvenile offender or chronically disruptive student.

3.8 Legislation should be enacted to require juvenile offenders and parents or guardians to provide immediate restitution to schools or persons victimized.

3.9 Legislation should be enacted to require juvenile judges or their duly constituted referee to send juvenile offenders to alternative schools or programs, after appropriate due process, if such transfer is recommended by the local school district and the offender refuses to transfer.

3.10 Legislation should be enacted to provide major penalties for unauthorized persons, adult or juvenile, trespassing on school property before, during, or after school hours.

3.11 Legislation should be written to clarify responsibility for students who are disruptive or causing problems in the vicinity of the school building, but outside the specific boundaries of school property.

This legislation shall address the harassment or threatening by students or persons "across the street" who are disrupting the educational process or disturbing students going to and from school. A distinct definition should clarify school authority regarding transportation to and from school by whatever means.

3.12 Legislation should be enacted that permits school officials, having probable cause to suspect that a student possesses unregistered drugs, weapons, or alcoholic beverages either on his person or in his locker, to inspect that student's possessions and locker. Rules related to these inspections must be publicized for students and parents. All lockers shall be the possession of the school, and copies of keys and combinations for students' lockers shall be kept on file in the principal's office. If school personnel are suspicious that a student has, in his possession or in his locker, an alcoholic beverage, controlled substance, or weapon, that student and his or her parent or guardian shall be contacted immediately and notified that the student's possessions and locker will be inspected.

3.13 Ohio law should be revised to permit adequate and appropriate terms of suspension and expulsion. The present law indicates that expulsion cannot extend beyond the current semester; therefore, in some cases, it occurs for one day—until the next semester occurs. If the same offense is committed in the early part of the school term, it can last for as long as 90 days. Therefore, the law which reads that the period of expulsion cannot extend beyond the current semester should be changed to read that the period of expulsion shall not be limited to the end of the semester but shall not be longer than 90 days.

3.14 Legislation should be enacted requiring that all people under the age of 18, in order to attain a provisional or permanent driver's license, shall present to the licensing agent a "good behavior" affidavit obtained from the local school district. If this student is expelled, chronically truant, guilty of vandalism, or exhibiting chronic disruptive behavior, this "good behavior" affidavit shall be dropped and the license invalidated. The non-issuance of a "good behavior" affidavit shall be reviewed at each grading period of that local district at the prospective driver's request. If the prospective driver is out of school under a valid "work permit," the school shall still issue the affidavit based on his or her continued successful work experience.

3.15 Legislation should be enacted requiring all local law enforcement units to provide a juvenile unit or personnel whose chief concern shall be to assist schools in maintaining an orderly, disciplined, learning environment.

3.16 Legislation should be enacted which will permit the superintendents of school systems to allow a student to leave school at age 16 provided he or she attends a night school, adult school, or similar educational program and remains in good standing in such program or has a valid, continuing work permit. If the student does not comply with the district's policy, he or she is to return to school until 18 years of age.

3.17 Legislation should be enacted to insure continued adequate juvenile court authority over runaways, truants, and related juvenile offenders.

APPENDIX A

TASK FORCE ON SCHOOL DISCIPLINE HEARING SITES

Columbus (2)
Toledo
Chillicothe
Cleveland
Cincinnati
Akron

APPENDIX B

PUBLISHED MATERIAL SUBMITTED TO THE TASK FORCE

1. *Terrorizing the Classroom,* Frank Kusnik, Cleveland Magazine, Apr. 1979
2. *Violence and Discipline in Society: Implications for the Home, School and Institution,* National Center for the Study of Corporal Punishment and Alternatives in the School, Philadelphia, Pa., 1979
3. *The Value of Youth Responsible Action,* 1979, Davis, Calif.
4. *A Pilot Survey of the Laws, Policies and Practices of Corporal Punishment in the School System, Day Care Centers and Public Institution of The Greater Dayton Area,* Legal Women Voters of the Greater Dayton Area, Mar. 29, 1973
5. *Mr. Glasser's Gentle Rod*—American Education, Aug.-Sept. 1978
6. *Discipline for Today's Different Children*—Phi Delta Kappan, Apr. 1979
7. *You Are Not Alone, Ms. Niensted, But*—Phi Delta Kappan, Apr. 1979
8. *This School Means What It Says,* American Education, Nov. 1978
9. *Tough Teachers Who Care,* American Way, 1978
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APPENDIX 6

REPORT OF
GOVERNOR'S STUDY COMMITTEE ON
HIGH SCHOOL DROPOUTS AND
UNSKILLED GRADUATES

January 20, 1981

Governor's Study Committee on High School Dropouts and Unskilled Graduates

Committee

Edward Reiter, Chairperson
President
Mid American National Bank
Bowling Green

Eddie Campbell
Training Coordinator
Cement Masons Local 524
Cincinnati

Val Carano
Vocational Director
Youngstown City School District
Youngstown

Harold Carr
Superintendent
Greak Oaks Joint Vocational School District
Cincinnati

Jean Dye
Vice President Legislative Activity
National Parent Teachers Association
Cleveland

John Maxwell
Superintendent
Dayton City School District
Dayton

Delores MacFarland
Banquet Sales Coordinator
Imperial House North
Columbus

Hazel Redden
Research Associate
Cleveland City School District
Cleveland

Odella Welch
Director
Department of Community Services
City of Columbus
Columbus

State Department of Education

Franklin B. Walter
State Superintendent of Public Instruction

Roger Lulow
Assistant Superintendent

Byrl R. Shoemaker
Executive Director
Vocational & Career Education & School Food Service

R. D. Balthaser
Assistant Director, Research, Survey, and Evaluation Services

George A. Sterling
Supervisor, Research, Survey, and Evaluation Services

Suzanne Sommers
Secretary

Consultant

H. Eugene Wysong
Professor of Education
The University of Toledo
Toledo

Introduction

On February 7, 1980, James A. Rhodes, Governor of the State of Ohio, established the Governor's Study Committee on High School Dropouts and Unskilled Graduates by signing the following executive order:

> WHEREAS, approximately 35,000 school age students in Ohio are annually dropping out of their educational programs, and approximately 50,000 students are enrolled in general education courses which are not preparing them for productive employment and job opportunities, thereby leaving well over 80,000 students untrained, unskilled, and unemployable every year as candidates for welfare rather than productive jobs; and,
>
> WHEREAS, the number of students dropping out of high school is increasing annually throughout Ohio, notwithstanding declining enrollments in our public school system; and, moreover, those students who drop out of school leave educational opportunities generally untrained and unskilled for future productive work, and remain, after their departure, untrained for rewarding job opportunities; and,
>
> WHEREAS, students enrolled in general education high school courses are too frequently graduating from high school without having acquired either sufficient course work for further post-secondary study or adequate vocational course preparation for the ever advancing technological demands of today's work world; and
>
> WHEREAS, the combined number of drop-out students and untrained and unskilled high school graduates pose a significant social and economic challenge for the State of Ohio, in that the unemployment problem among them is extremely serious, and in many of our larger cities, unemployment among minority youth has reached fifty percent; and,
>
> WHEREAS, Ohio is the only state with legislation guaranteeing the availability of vocational education programs for all students, and Ohio leads the nation with fifty-six percent of students enrolled in vocational programs during the last two years of high school, and Ohio also leads the nation in financial investment in construction for vocational education with more than $500,000,000 invested in this important program in the last fourteen years; and,
>
> WHEREAS, recent reports by the State Department of Education demonstrate the increasing importance of vocational education to the economic health of Ohio, wherein said reports indicate that in the next five years more than one million vocationally trained and skilled workers will be required for jobs in Ohio commerce and industry; and,

WHEREAS, it is critically important to arrest the increasing frequency of high school drop-outs and to make available additional educational programs to provide meaningful job training for both drop-out prone high school students as well as students in non-specific general education programs, and, in addition, whereas the State Superintendent of Public Instruction and the Executive Director of the State's Vocational Education programs share this goal with me;

NOW, THEREFORE, I, JAMES A. RHODES, Governor of the State of Ohio, do hereby establish the Governor's Study Committee on High School Drop-Outs and Unskilled Graduates, hereby empowering and authorizing the Study Committee to thoroughly and systemically review and examine the causes and consequences for students who leave the secondary school programs without adequate job preparation, which students have either dropped out of high school or have graduated from a general education program which has provided them with neither job training nor preparation for further post-secondary education. The Study Committee shall be comprised of nine people appointed by the Governor. A Chairperson shall be appointed by the Governor from the nine people appointed to the Study Committee.

I further order and direct that the Study Committee shall have the following responsibilities:

1. Assess the reasons for and consequences of students dropping out of high school, and develop recommendations based upon its assessment of drop-out prone students in order to reverse the accelerating frequency of student drop-outs in order that they may remain in school and receive adequate educational training;

2. Examine the high school "general education" curriculum, and make recommendations to effect modifications, where necessary, so that students may receive adequate work related and skilled training for use after high school graduation.

IN FURTHERANCE WHEREOF, I charge the officers and employees of this State and its various school districts to furnish to the Study Committee such assistance as is necessary for the performance of its duties. The State Department of Education, with the concurrence and under the direction of the State Superintendent of Public Instruction, and the Executive Director for Vocational and Career Education shall provide the necessary personnel, equipment, and material to the Study Committee for the completion of its duties.

UPON COMPLETION OF ITS WORK, which shall be not later than July 31, 1980, I direct the Study Committee to issue a public report, which report shall contain the Study Committee's findings and recommendations. The Study Committee shall also provide said report to the Governor, members of the General Assembly, the State Superintendent of Public Instruction, and members of the State Board of Education. The Study Committee shall exist until July 31, 1980, at which time it shall be dissolved. All records, equipment, and other resources of the Study Committee shall be transferred to the State Department of Education at that time.

At the request of the Study Committee Governor Rhodes extended the period of time for the Committee's work through January 31, 1981.

Committee Activities

The Study Committee held its first meeting on April 2, 1980 with Mr. Edward Reiter serving as chairperson. The committee functioned for ten months with able support being provided by personnel from the State Department of Education. For the purpose of fulfilling the responsibilities assigned by Governor Rhodes, the Committee completed the following activities:

1. Held seven general committee meetings from April, 1980 through January of 1981.
2. Reviewed and summarized research studies from published literature.
3. Prepared a survey questionnaire for use in collecting information from dropouts.
4. Distributed questionnaires through Ohio newspapers, offices of the Ohio Bureau of Employment Services and various CETA programs throughout Ohio.
5. Collected and summarized questionnaire data from 4,693 dropouts.
6. Publicized through the media of television, radio, newspapers, and letters the locations, times, and purposes of the public hearings.
7. Held six open public hearings in the areas of Columbus, Athens, Cleveland, Youngstown, Cincinnati, and Toledo where testimonies were presented from dropouts, students, parents, educators, employers, community workers, agency personnel and other citizens.
8. Conducted interviews with dropouts who are incarcerated at Mansfield Reformatory.
9. Reviewed data from research studies, survey questionnaires, testimonies, and interviews.
10. Prepared and submitted report and records to Governor Rhodes.

Supporting Documents

The Study Committee produced and collected many documents that were used as a basis for its report to the Governor. The volume of reports, computer print outs, and other records is too large to be included in this report. The following is a brief description of the supporting documents generated by the Committee.

1. School Dropouts in Ohio: A Review of Reasons, Consequences, and Possible Solutions. This is a 23-paged paper summarizing some of the research studies and literature on school dropouts.

2. Results of Survey on High School Dropouts. This report includes data collected from the survey questionnaire developed and distributed by the Governor's Study Committee on High School Dropouts and Unskilled Graduates. The report includes data and relationships between reasons for dropping out, grade level when left school, employment status, welfare recipients, school curriculum and other factors. The following summarizes only the demographic characteristics of the dropouts who completed the questionnaire:

a. Number of dropouts surveyed:

Male	2,570
Female	1,983
Unknown	140
Total	4,693

b. Number reporting from different areas:

Akron	367
Cleveland	785
Toledo	263
Canton	274
Columbus	720
Youngstown	347
Cincinnati	390
Dayton	344
Other	1,203
Total	4,693

c. Number reporting according to curriculum when in school:

General	4,173
Vocational	431
College Preparatory	83
Unknown	6
Total	4,693

d. Number reporting according to race:

White	3,090
Black	1,162
Hispanic	101
Indian	41
Asian	7
Unknown	292
Total	4,693

e. Present ages of persons reporting:

25 or over	2,035
20-24	1,367
15-19	1,203
14 or under	20
Unknown	68
Total	4,693

3. Testimonies presented at Public Hearings and Interviews Held by the Governor's Study Committee on High School Dropouts and Unskilled Graduates. This is a compilation of testimonies and reports submitted to the Study Committee during the six public hearings and the interviews held with dropouts at Mansfield Reformatory. Taped recordings are included.

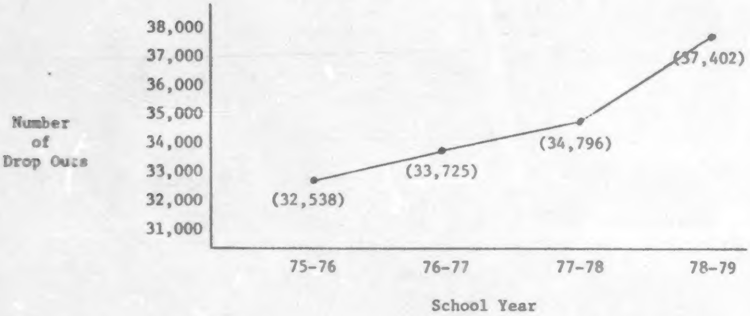
4. Minutes of Meetings Held by the Governor's Study Committee on High School Dropouts and Unskilled Graduates. This is a record of the Committee's meetings and includes a summary of the discussions held and actions taken.

Dropouts in Ohio

A disturbing trend is happening in Ohio. More students are dropping out prior to the completion of high school. During the past four years, the number of dropouts in grades 7-12 has increased during a time when total enrollment has decreased (Kaeser, 1980). Figure 1 illustrates the increase that has taken place. In the school year 1975-76, the number of dropouts in grades 7-12 was 32,538 which is at a rate of 17.4 percent over the span of six grades. In the school year 1978-79, the number was 37,402 which is at a rate of 22.2 percent. At the 1978-79 rate, 22.2 percent of the entering seventh graders will drop out prior to graduation.

Figure 1

Number of School Drop Outs in Ohio:
1975-76 through 1978-79

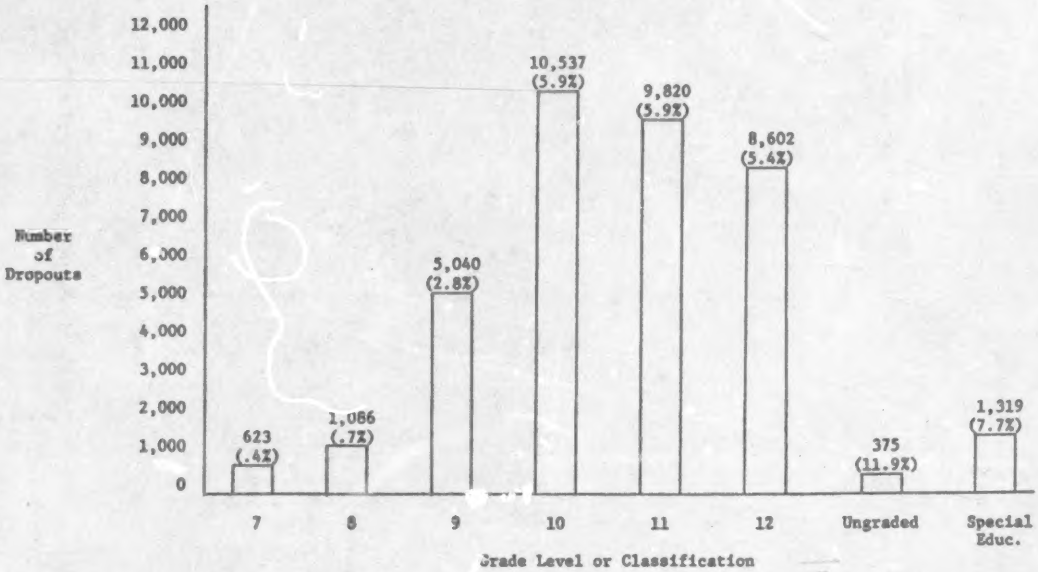


During 1978-79, dropouts occurred at each of the 7 through 12 grade levels. A small number dropped out in grades 7 and 8 while the largest number occurred in grade 10. Table 1 reports the number of dropouts and percent of enrollment in each grade.

Reported in Drop Outs in Ohio: A Review of Drop Out Statistics for Ohio School Districts: 1978-79 School Year (1980).

Table 1

Number of School Dropouts in Ohio by Grade Level: 1978-79 School Year



(Figures in parentheses are percentages of grade level enrollment.)

Reported in Dropouts in Ohio: A Review of Dropout Statistics for Ohio School Districts: 1978-79 School Year (1980).

Consequences of Students Dropping Out of High School: A Summary of Findings

What are the consequences of dropping out of school prior to high school graduation? The answer to this question can be made from two value orientations. One value concerns the well-being of individuals within our society and the other value concerns the welfare of the total society. However, both values are related. If individuals are benefited, society is usually benefited. If individuals are hurt, society is usually hurt.

The Governor's Study Committee reviewed research studies and interviewed Ohio citizens for the purpose of identifying the consequences of dropping out of high school. The following is a summary of findings that shows a comparison between dropouts and high school graduates:

1. Dropouts are more frequently unemployed.
2. The lifetime income for male dropouts is approximately 70 percent of the income for male high school graduates without college experience.
3. The dropout is six to ten times more likely to be involved in crime.
4. Eighty-five percent of state prison inmates are school dropouts
5. Dropouts pay less tax monies and are more often on welfare.
6. Dropouts have fewer employment opportunities and fewer advancements.
7. Dropouts experience less sense of worth and personal satisfaction.

Substantial evidence is available to show that a strong relationship exists between dropping out of high school and many negative conditions that affect adversely the welfare of individuals and the total society. Also, a well-founded belief is held in the value and worth of the products of education. However, caution should be exercised in drawing the conclusion that the act of dropping out of school is the cause of the negative conditions for individuals and society. Dropping out of school may be the symptom that is commonly shared by the dropouts, but the basic cause or causes might be more complex.

Reasons for Dropping Out of High School: A Summary of Findings

The Study Committee reviewed research studies, collected survey data, interviewed dropouts and other citizens. The following is a summary of t most frequent reasons given for dropping out of school:

The dropout:

1. Did not like school. School was not interesting to the student.
2. Did not see any value in going to school.
3. Became pregnant and/or married.
4. Needed money and/or wanted a job.
5. Had home/family problems.
6. Had academic deficiencies and failure experiences.
7. Had conflicts with teachers and/or administrators.
8. Became ill.
9. Involved with drug abuse.

Several research studies noted that:

1. Dropouts come from those whose school experience provides more o the frustration of failure than the stimulation of success.
2. Dropouts believed that their school courses were useless and their special needs were not met.

Characteristics of Dropouts: A Summary of Findings

A review was made of research literature to identify the characteristics of students who drop out of school. These research data were supplemented by the Study Committee's own survey and interviews held on public hearings.

The characteristics identified as being related to the high school dropout population were:

A. Characteristics related to school experiences

1. Low school marks.
2. Low scholastic aptitude. Low reading and math skills.
3. Over age for grade level.
4. Poor attendance.
5. Pattern of educational deterioration through elementary and secondary schools.
6. Participates very seldom in school activities or sports.
7. Feels alienated and rejected by school and peers.
8. Verbally deficient.
9. Fails to see relevance of education to life experience.
10. Unable to tolerate structured activities.
11. Enrolled in a general course of study rather than vocational education or college preparatory.
12. Has failed at least once in elementary or junior high school years.
13. Lack of basic skills.
14. Disruptive behavior.

B. Characteristics related to home conditions

1. Below average economic status of family.
2. Excessively stressful and unhappy home life.
3. Member of one-parent family.
4. Minimal family solidarity.

C. Characteristics related to personal factors

1. Low emotional and social maturity.
2. Low self concept.
3. Inability to relate to authority figures.
4. Lack of future orientation.
5. Unable to identify with other people.
6. Pregnant.
7. Impulsive in making decisions.
8. Drug abuse.

Dropouts tend to have the above characteristics more frequently than graduates. However, many individual differences exist. Treating dropouts a if they all had similar characteristics would be a mistake.

Recommendations

The Governor's Study Committee makes the following recommendations for reducing the number of dropouts and unskilled high school graduates. Problems are briefly identified, general recommendations are given, and action steps designed to implement the recommendations are listed.

1.0 Adult Education High School Credit Programs for Non Graduates of High School

1.1 Problem. A student aged 16 or 17 years decides to get a job and drop out of school. The dropout keeps the job for a while then either quits or is fired. The dropout is now illegally out of school, has no job skills, and no money for getting job training. Re-enrolling in a regular public day-school presents problems. The youth would have to enter courses that are organized to begin on a yearly or semester basis and would have to attend a full-day schedule. It is very difficult for the dropout to enter classes already in progress, in a highly structured setting, and be successful. If the dropout is able to keep the job and remain out of school, he or she usually receives a low income and has little chance for improvement.

1.2 Recommendation. Adult education high school credit programs should provide free high school education courses, including job skill training, for individuals aged 16 to 21 who have not attained a high school diploma and who do not profit from a regular public day-school program. The credit programs should have a flexible schedule of courses held during evening hours and during the day on Saturdays. School attendance laws should require youth of ages 16 and 17 who are out of school on age and schooling certificates to enroll in high school credit courses.

1.3 Implementation Actions.

State

1.31 The State Department of Education should establish reimbursement procedures under the school foundation program for non-high school graduates who are enrolled in adult education high school credit courses and are of the ages 18 to 21 years; or are of the ages 16 or 17 years and out of school on an age and schooling certificate.

1.32 The State Department of Education should publicize through various media that alternative learning opportunities in adult education high school credit programs are available to school dropouts aged 16 to 21.

1.33 The State Department of Education should recognize the Vocational Education Planning District as the administrative unit for reimbursement of adult education high school credit programs.

Local

1.34 Boards of Education, in cooperation with the Vocational Education Planning District administrative units, should design and conduct an active recruitment program to attract high school dropouts into adult education high school credit programs.

Legislative

1.35 The compulsory school attendance law should be amended to require individuals of ages 16 and 17 who have dropped out and have an age and schooling certificate to attend adult education high school credit programs and enroll in a minimum of 2 high school credits rather than attend a regular day-school program.

1.36 The school foundation law should be amended to include a reimbursement formula for students aged 16 to 21 who are non-high school graduates and who are enrolled in adult education high school credit programs.

2.0 Basic Skills

2.1 Problem. For many dropouts, the causes of their dropping out start in the early elementary grades. They didn't learn the basic skills needed to be successful in school. By the time they can legally drop out of school, they are reading two or more years below the average grade level, they have failed and are over age, and they see school as being a place of failure which should be avoided.

For students in later grades who are behind in basic skills, some schools have established remedial courses funded by federal programs. Rigid federal guidelines require that the funded courses supplement rather than supplant regular courses. For example, students weak in math skills must take a regular math course which is frustrating and too difficult for them in order to be able to get the remedial course.

2.2 Recommendation. Provisions should be made in the elementary schools, for the early identification and remediation of problems that affect student learning. An Individualized Learning Analysis Plan should be developed by the school and parents for each student in grades kindergarten through 7. Comprehensive assessments should be made and treatment plans developed when problems are identified. Instructional emphasis should be placed on reading and mathematics. Federal regulations on funded remedial programs should be revised to permit more flexibility in meeting individual needs of students.

2.3 Implementation Actions.

State

2.31 The State Board of Education should adopt standards for schools that promote competency based education in the basic skills and provisions for annual reporting of those competencies.

2.32 The State Department of Education should develop guidelines, recommend materials, and provide inservice education to help schools conduct early identification and remedial programs in kindergarten through grade 3.

2.33 The State Department of Education should prepare guidelines and provide inservice education programs to help schools utilize the Individualized Learning Analysis Plan for every child in grades kindergarten through 7.

Local

2.34 Boards of Education should identify and assign classroom teachers and support personnel who have the special competencies to diagnose and remediate learning problems and to teach basic skills in kindergarten through grade 3.

2.35 Boards of Education should implement the use of Individualized Learning Analysis Plans and provide inservice education of staff involved in developing and administering the plans.

Legislative

2.36 Influence should be exerted to change federal program guidelines that require students who are receiving remedial instruction to also be in regular classes of the same subject that are frustrating and too difficult for them.

3.0 Pregnancy

3.1 Problem. A high percentage of female dropouts leave school as a result of pregnancy. They become pregnant, deliver their babies, and do not return to school. The dropouts who are mothers typically are not encouraged to return to school, have no one to care for their infants, have no money or transportation for placing the children in care centers, and believe that school is unimportant. Without employment skills, a high percentage of the adolescent mothers survive on welfare payments. If local communities prohibit schools from dealing with the sensitive task of trying to prevent pregnancies of school age youth, then schools must educate them when they are parents. In joint vocational schools, pregnant girls have difficulty getting home instruction.

3.2 Recommendation. Provisions should be made in secondary schools for supportive services and instruction of expectant parents while they are in school, home instruction while they are out of school, and child care services when they return to school.

3.3 Implementation Actions.

State

3.31 The State Department of Education should design and promote programs and services for pregnant students including prenatal and child care instruction, counseling, and home instruction.

Local

3.32 Boards of Education should identify qualified personnel and assign responsibilities for providing help to pregnant students.

3.33 Boards of Education should establish child care services through vocational education child care programs or resources from other agencies.

3.34 Local Boards of Education should design techniques and methods to encourage pregnant students to remain in contact with the school and to return to the school to complete their educational program.

Legislative

3.35 Joint Vocational School Districts should be permitted, under rules and guidelines established by the State Board of Education, to provide home instruction to students.

4.0 Unskilled Graduates

4.1 Problem. A high school student who chooses a variety of general courses ends up with a diploma but little else that is helpful for a job or further education beyond high school. Many students have no career plan for what they will be doing after graduation. They have not prepared for either a job or for further education, have little knowledge about the world of work, and do not know their own career interests and aptitudes. Many students have limited decision-making skills and participate in the labor market by chance. Some high school students do not see themselves as participants in the work force and make no preparation for it. Fewer jobs are available in the labor market for unskilled workers. Some students' perceptions are limited by sex role stereotyping.

4.2 Recommendation. Career education and career guidance programs should be established in all elementary and secondary schools involving parents, teachers, counselors, business, industry, and labor. Each student in grades 8 through 12 should have cooperation with his or her parents. Each student should be encouraged to have an Individual Career Plan that includes the selection of high school courses that are college preparatory or vocational education.

4.3 Implementation Actions.

State

4.31 The State Department of Education should promote and develop standards and guidelines for career education and career guidance programs in all elementary and secondary schools.

4.32 The State Board of Education should adopt standards and guidelines requiring that each student in grades 8 through twelve have a written Individual Career Plan developed in cooperation with his or her parents and includes the student's career goal, plans for reaching the goal, and competency levels that the student intends to achieve prior to graduation. Each Individual Career Plan should be reviewed annually and revised as needed.

4.33 The State Department of Education should provide models and guidelines to assist schools in the implementation of Individual Career Plans.

Local

4.34 Boards of Education should identify and assign qualified personnel who can plan and conduct effective career education and career guidance programs in elementary and secondary schools.

4.35 Boards of Education should provide guidance programs that help students and their parents develop Individual Career Plans. The plans should include the high school courses that are appropriate for a job or further education beyond high school.

4.36 Boards of Education should establish cooperative relationships with other school districts in offering quality and efficient curricular programs necessary to fulfill the Individual Career Plans of students.

4.37 Boards of Education should assure that all students have freedom of choice when electing high school courses and programs for which they are eligible. Students should be given unbiased information about course options open to them.

Legislative

4.38 The Legislature should authorize the State Board of Education, through standards, to require the Individual Career Plans.

4.39 Legislation should be passed authorizing cooperative efforts among school districts so that quality and efficient curricular programs can be provided to fulfill the Individual Career Plans of students.

5.0 Curriculum

5.1 Problem. Students who are drop-out prone have classes in the upper elementary and secondary school grades that they consider to be meaningless. They are "tired of doing the same thing over and over again." Many students have difficulty learning in verbally-oriented classrooms that do not include practical experiences. Many students have little introduction to vocational education opportunities and do not relate their education to the world of work. Although fewer students drop out from vocational education programs, many students leave school before they can elect to take vocational education courses.

5.2 Recommendation. Practical arts experiences should be included in both the elementary and secondary school curriculum. Pre-vocational education courses should be available in grades 9 and 10 so that students can explore a variety of vocational areas. Occupational work adjustment and cooperative education programs should be expanded.

5.3 Implementation Actions.

State

5.31 The State Department of Education should promote the inclusion of practical arts experiences in the elementary and secondary school curriculum, pre-vocational education exploratory courses in grades 9 and 10, and additional occupational work adjustment and cooperative education programs.

5.32 The State Department of Education should organize and publicize the results of research studies that identify different learning styles of students and develop effective curriculum materials that can be used with students having different styles of learning.

Local

5.33 Boards of Education should review their school's curriculum and include more practical arts experiences, pre-vocational education courses, occupational work adjustment, cooperative education and vocational education programs.

5.34 Boards of Education should provide for assessment programs that identify the learning styles of individual students and provide curriculum material appropriate to those styles.

Legislative

5.35 Legislation should be passed providing tax incentives to businesses and industries which employ students in cooperative education programs.

5.36 Legislation should be passed to initiate incentives for teacher education programs which encourage college students to enter industrial arts as a chosen career field.

5.37 Legislation should be passed providing funds to local school districts for adaptive curriculum materials appropriate to students' individual learning styles.

6.0 Human Relations and School Climate

6.1 Problem. "Nobody cares" and "students talk but teachers don't listen" are the kinds of comments made by dropouts. Dropouts do not believe that they were accepted, respected, or cared about in school. They feel alienated. Few dropouts participated in extra-curricular activities and had little identification with the school. They don't believe that anyone was interested in them. Some dropouts might more appropriately be called "push outs" because they had poor human relations skills, caused problems, and were encouraged to leave school.

6.2 Recommendation. Human relations should be improved among students and between students and school staff. Elementary and secondary school certified and support staff and students should receive training in human relation skills. A school climate should be created so that all students and staff have a feeling of belonging and being cared about.

6.3 Implementation Actions.

State

6.31 The State Department of Education should promote the inclusion of human relation skills in the preservice and inservice training of teachers.

6.32 The State Department of Education should identify and recommend guidance and curriculum materials to be used by the school staff to improve human relations in elementary and secondary schools.

6.33 The State Department of Education should develop ways to reduce the amount of paper work required of building administrators so that more time can be devoted to human relations with staff and students.

6.34 The State Department of Education should promote the improvement of guidance and counseling programs in elementary and secondary schools.

Local

6.35 Boards of Education should identify and assign staff members who are caring and energetic in their work with students. Also, inservice programs should be designed and provided to promote human relations and positive school climate.

6.36 The Board of Education should develop and implement policies and procedures whereby all staff members cooperate and participate in the responsibility for identifying and assisting students who are becoming alienated to the school setting.

6.37 Each student should be assigned to a staff member who is responsible for and has a commitment to a direct relationship and support role with that student.

6.38 Boards of Education should provide extra-curricular activities that would relate to the interests of all students and guidance programs that help all students to participate in at least one extra-curricular activity.

6.39 Boards of Education should establish policies to provide for teachers to visit homes of students, peer support groups for students, and human relations activities within the classroom.

6.40 Boards of Education should reduce the administrative responsibilities of principals and increase their human leadership involvement with staff, students, and parents.

7.0 School, Home, and Community Cooperation

7.1 Problem. Students can't give much energy and thought to learning when they have to deal with such problems as child abuse, parent divorce, hunger, poverty, family conflict, parent neglect or apathy, poor health, drug abuse, etc. Problems exist that are non-school related but affect the student's school learning.

7.2 Recommendation. School personnel should establish cooperative relationships with the home, community referral agencies, social services, and other resources to help resolve non-school problems affecting students.

7.3 Implementation Actions.

State

7.31 The State Department of Education should contact the the head administrators of state agencies and establish agreements on cooperative relationships that can be made to help solve non-school problems faced by students.

Local

7.32 Boards of Education should assign responsibilities to school personnel for coordinating the use of community referral agencies in helping to solve non-school problems faced by students. The use of community agencies should be in cooperation with the parents.

8.0 Attendance

8.1 Problem. High absenteeism is a forerunner to dropping out of school. It is a flashing danger signal saying that something is wrong and needs to be corrected. Too often excessive absenteeism in secondary school begins with unchecked and untreated absenteeism in the elementary grades.

8.2 Recommendation. Continued efforts should be made to improve attendance in the schools. Special attention should be given to the basic causes of poor attendance so that treatment can be given to the causes rather than just to the symptoms. Elementary school staff should examine beginning patterns of absenteeism and provide early detection and remediation.

8.3 Implementation Actions.

State

8.31 The State Department of Education should continue efforts to improve attendance in the schools.

Local

8.32 Boards of Education should identify and implement activities designed to improve attendance in the schools.

8.33 Boards of Education should establish cooperative working relationships with the courts and promote assistance from parents in helping to improve attendance.

9.0 Discipline

9.1 Problem. Students who cause disciplinary problems in the schools tend to be potential dropouts. Student conflicts with teachers and administrators usually increase the feelings of alienation with school and increase the chances of dropping out of school.

9.2 Recommendation. Efforts to improve discipline in the schools should be continued. Appropriate recommendations of the Governor's Task Force on School Discipline should be implemented. Special attention should be given to providing in-school suspensions rather than out-of-school suspensions. Meaningful educational experiences, instead of expulsion, should be sought for disruptive students.

9.3 Implementation Actions.

State

9.31 The State Department of Education should continue efforts to improve discipline in the schools.

9.32 The State Department of Education should recommend guidelines for in-school suspension programs and alternatives to the expulsion of students.

Local

9.33 Boards of Education should develop policies and procedures concerning in-school suspension and alternatives to expulsion.

9.34 Boards of Education should identify and implement appropriate recommendations from the Governor's Task Force on School Discipline.

10.0 Drug Abuse

10.1 Problem. Use of drugs, including alcohol, has an impact on dropping out of school. Students get involved in drugs and alcohol through peer pressure and as a way to avoid life problems and boredom. Drug abuse interferes with the student's learning process. A dramatic example of results of drug abuse was identified at Mansfield Reformatory for young adults. The administrator indicated that 70 percent of the persons in the institution were incarcerated due to drug related crimes and that an increasing number of the persons sentenced were coming from the suburban areas. While a direct relationship to drug related problems cannot be identified, 85 percent of the persons sentenced to penal institutions in a test period of time were school dropouts.

10.2 Recommendation. Schools should cooperate with community agencies in providing drug abuse prevention programs and in using referral resources for drug rehabilitation services.

10.3 Implementation Actions.

State

10.31 The Governor should initiate a statewide program involving appropriate state agencies to attack the drug problem.

10.32 The State Department of Education should investigate funding sources for developing Student Action Satellite Centers in each section of a school district with a total enrollment exceeding 20,000 pupils. Urban area school systems could work with law enforcement officers, school counselors, juvenile court and social agency personnel in identifying and bringing to the Center students who were truant, who were habitual drug or alcohol offenders and who were known to be troubled youth. Each Satellite should be staffed with a school counselor, a law enforcement officer (on call) and a juvenile social services worker who would work with the young person toward solving his/her personal and school problems.

Local

10.33 Boards of Education should cooperate with local agencies involved in drug abuse prevention and rehabilitation.

11.0 Alternative School Programs

11.1 Problem. Students with severe adjustment problems have extreme difficulty functioning in regular school programs. These students cannot tolerate the structure of a typical classroom and need special alternative school programs.

11.2 Recommendation. Alternative school programs should be provided for students with severe adjustment problems who cannot function in a regular school.

11.3 Implementation Actions.

State

11.31 The State Department of Education should identify and distribute information about successful dropout prevention and alternative school programs and encourage school districts to develop such programs.

Local

11.32 Boards of education should make provisions for dropout prevention and alternative school programs that are needed by students in their communities.

12.0 State Laws and Regulations

12.1 Problem. School attendance laws are not being enforced. Students drop out of school at age 16 or 17 with a work permit, lose their job, and do not return to school. Employers do not report the loss of job and school officials do not follow up to get the youth back in school. Some schools prohibit students aged 16 or more from entering vocational education programs unless the students are of junior status. Dropouts under the age of 21 are sometimes told they cannot come back to school for a free and public education. The General Education Development (GED) Test for a high school equivalency certificate can be taken only when a student has reached age 18 and his or her class has graduated from high school.

12.2 Recommendation. State laws on school attendance and regulations for vocational education should be widely publicized so that employers, parents, students, and school officials become knowledgeable and can act accordingly.

12.3 Implementation Actions.

State

12.31 The State Department of Education should prepare public service announcements and newspaper articles designed to inform citizens of their rights and responsibilities under state attendance laws.

12.32 The State Department of Education should inform Boards of Education and school superintendents of regulations allowing students ages 16 to 21 to enter vocational education programs regardless of grade level status.

12.33 The State Board of Education should lower the age requirement for taking the General Education Development (GED) Test from 18 years to 16 years for those students who have left school on an age and schooling certificate and who are enrolled in adult education high school credit courses accruing to two credits.

12.34 The Wage and Hour Division of the Department of Industrial Relations should include a return card on the age and schooling certificate so that employers can more easily report the loss of employment by youth of the ages 16 and 17.

Local

12.35 **Boards of Education should review their policies and practices related to state attendance laws and vocational education regulations.**

Concluding Thoughts

The Study Committee has made a variety of recommendations because of the variety of problems and conditions that cause school dropouts and unskilled graduates. Some of the recommendations are strategies for early prevention in the elementary schools and take into consideration the developmental growth needs of all students. Other recommendations recognize the individual differences among dropouts and unskilled graduates and establish provisions to identify and resolve the variety of individual problems facing them. Recommendations have been made to develop programs that provide new alternatives for the education of youth.

To implement these recommendations there must also be programs designed so that students and parents understand their commitments and obligations to the educational process.

Society pays a high price for having school dropouts and unskilled graduates. The Select Senate Committee on Equal Educational Opportunity indicates that dropouts alone cost the nation $237 billion in individual income over a lifetime, $71 billion in government revenue, and $3 billion each year in welfare expenditures. The Senate Committee also notes that "Each dollar generated for social investment in education generates six dollars over the life-time of the group." Society needs to invest in the education of youth so that they are prepared to enter the work world or higher education. Society pays now or pays more later.

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APPENDIX

HIGH SCHOOL DROPOUTS...HELP!

Did you drop out of high school before graduation? If you said "yes" you will be interested to learn that Governor Rhodes has established a "Study Committee on High School Dropouts and Unskilled Graduates."

This committee is charged with determining: (1) Why you dropped out of school, (2) What recommendations you and others have that would enable you and other students to develop adequate work related and skilled training for use after high school graduation.

As the committee recommendations have to be in the Governor's office before December 31 to be useful for planning programs next year, would you take a minute today and complete the form below. You do not sign form.

Please clip the form, insert into a stamped envelope and mail to address below.

FOR HIGH SCHOOL DROPOUTS

Please check appropriate answer.

1. I'm living in or near:
   ☐ Akron ☐ Canton ☐ Cincinnati
   ☐ Cleveland ☐ Columbus ☐ Dayton
   ☐ Toledo ☐ Youngstown ☐ Other
2. ☐ Male ☐ Female
3. Age now: ☐ 14 or under ☐ 15-19 ☐ 20-24 ☐ 25 or over
4. I left school at grade: ☐ 6 ☐ 7 ☐ 8 ☐ 9 ☐ 10 ☐ 11 ☐ 12
5. Race: ☐ Black ☐ Hispanic ☐ Asian ☐ Indian ☐ White
6. ☐ Employed. If presently employed, job title ____________
   ☐ Unemployed ☐ Unavailable for work
7. I was enrolled in: ☐ Vocational ☐ General Course ☐ College Prep
8. Since dropping out, I have received public support such as stamps, welfare, etc:
   ☐ Yes ☐ No
9. I left school because: ☐ I needed money ☐ Illness ☐ Other
   (please explain other) ____________
10. Do you know where additional education or training is available? ☐ Yes ☐ No
11. Did anyone try to keep you from dropping out of school? ☐ Yes ☐ No
12. I might have stayed in school if ____________

Return to:
Governor's Study Committee on High School
Dropouts and Unskilled Graduates
Room 904, Division of Vocational Education
State Department of Education
Columbus, Ohio 43215

James A. Rhodes
Governor
Franklin B. Walter
Superintendent of Public Instruction
Edwin Reiter
Committee Chairperson

Appendix 7

Company and Location	Estimated Project Amount	Estimated Training Positions	Estimated Project Duration
1. Columbus	$1,000,000	7,000 +	1981-1985
2. Lordstown	1,000,000	2,000 +	1981
3. Toledo	200,000	500 +	1981
4. Walbridge	150,000	90	10/1980-5/1982
5. Delaware	200,000	2,000	1981-1984
6. London	200,000	200	1981
7. Circleville	100,000	200	1981
8. Lima	200,000	900	1981
9. Cincinnati	15,000	16	9/1981-1/1982
10. Shadyside	Not yet determined	Not yet determined	1981
11. Youngstown	Not yet determined	Not yet determined	1981

Appendix 8

REAUTHORIZATION OF VOCATIONAL LEGISLATION
P.L. 94-482

Byrl R. Shoemaker
Executive Director
Ohio Vocational
Education

It is suggested the existing legislation can be adjusted to meet the recommendations listed below unless it is decided to incorporate some of the significant functions of the existing CETA legislation to Vocational Education legislation as is suggested in one of the items listed below.

Vocational Education legislation incorporates many of the goals included in the CETA legislation, but without sufficient funding in order to reach towards implementation of the goals. The existing Vocational Education legislation does not provide for any funding for health, mental hygiene, or social welfare services necessary for effectively dealing with disadvantaged youth, and sections now applicable to disadvantaged and handicapped youth or inner-city family life programs do not provide sufficient funding in order to make a significant impact on the problem. Years of experiences within the CETA legislation suggest that neither CETA programs nor employers can overcome the problems that exist for a young person who dropped out of school or graduates with an identification of disadvantagement.

In working with employers of new or expanding industries, they indicate to us plainly they cannot build their operations on the basis of disadvantaged persons. Experiences with employers under CETA programs which attempt to provide wage supplements in order to encourage the employer to take disadvantaged students indicate that employers have been unwilling to accept the responsibility of training of disadvantaged people even when they are provided with wage subsidies.

Programming under the LEAA act has been on a hit and miss basis with little relationship between this legislation and programming in our public schools. It is feasible to direct funding for prevention of disruptive behavior on a part of youth through public education starting at about the age 12 or 13.

If there is to be a new thrust within the new Vocational Education legislation, one of these thrusts should be directed towards funding services and programming through Vocational Education at a level to prevent youth from dropping out or graduating from school identified as disadvantaged. A second major thrust should consider the reports of economists which indicate that our manpower system for our industrial economy is going to be in serious trouble by 1985 due to a shortage of skilled workers needed for business and industry. Even in this period of recession, a significant number of jobs are going begging because of massive numbers of people on CETA services and welfare do not have the skills necessary to take the available jobs. Our vocational machine shops and welding shops are running essentially full blast during the school year, but could be used more effectively in the summer period if full funding for specialized training programs for out-of-school youth and adults could be made available in those occupations identified by the State Employment Services as in short supply. As an example, a national committee from the Business Roundtable is deeply concerned about the long-term availability of persons in construction, particularly the constructional mechanical trades to do the necessary building for business and industry in the 1980's.

It should be pointed out that our nation at the present time does not have the skilled manpower necessary to mount a significant defensive effort should an emergency condition exist.

Specific suggestions for changes in the existing legislation are as follows:

1. Concern for Special Populations

P.L. 94-482 as passed in the 1976 Education Amendments included within the authorization of services essentially all of the factors important to begin to reach for solutions to the problems of disadvantagement except the factors of health, mental hygiene, welfare services, and sufficient money to implement the goals identified. As indicated in the opening remarks, there seems to be few solutions to the problems of disadvantagement after youth drop out of school or graduate with a self and societal concept of disadvantagement.

Within our state, we have made every effort to enlist the help of the Departments of Health, Mental Hygiene, and Welfare in bringing to bear their services with the youth at an age when change is possible and reasonable. While a few CETA Prime Sponsors have been sensitive to the concern of reaching into the schools and working with the schools for solutions to the problems, the Prime Sponsors, as a whole over the state, have seen the schools as an adversary competing for youth rather than as an area for investment. Constant change in the political scene, and the lack of any statewide relationship or authority over programming in Prime Sponsors' areas make it impossible for an agency or individual to give leadership to the development of an organized pattern of services over the state. There is every evidence that the public schools given the resources, directions, and leadership can move to make significant and positive adjustments in education and to provide related services in order to serve as a change agent for the benefit of the youth.

RECOMMENDATION: It is recommended that the reauthorization of P.L. 94-482 be used as a vehicle to incorporate into that legislation significant function of the present youth legislation under CETA with provision for health, mental hygiene, social welfare, and remedial education services for in-school youth down to at least 12. Services at this early age would enable such youth to remain in school and to choose at age 16 either a preparation for working through vocational education or preparation for college or technical institutes.

2. Training for Community Revitalization

It is obvious that productivity in terms of goods and services is a serious problem facing our nation. A number of developed nations in the world are exceeding our growth rate in output per man hour and are exceeding our annual productivity increases. While our nation enjoyed approximately a three percent per year growth in production from 1946 to 1966, growth in productivity may well be non-existent in this fiscal year with perhaps even a reduction in productivity. In addition to giving consideration to services to the handicapped, greater consideration must be given to this the serious economic and social problem facing our nation. Programming is needed to relate to average and above-average youth and adults who provide for the backbone of our productivity as well as for those who are disadvantaged and handicapped.

Reindustrialization in America will require a major training effort as new processes and products develop. The whole area of energy development will bring a few new occupations into being, but the greater impact will be upon the retraining of the existing work force to meet the changes in their occupations.

During the third week in October a major industry in the Lima area asked for us to commit 8,500 hours of training for upgrading their existing workers. New and expanding industries need both financial and educational assistance to get the new workers to the point of entrance into productive employment.

In addition to the role of vocational education in serving new and emerging needs, the facilities, equipment, and instructional staff in vocational education serves as an important resource in any national emergency. Any defense effort will require the use of all training facilities for rapid retraining of workers for defense industries. It is reasonable, therefore, that a portion of the federal investment be used to maintain and improve the system of vocational education. With the states investing on a ratio of 8 state to 1 federal dollar, the states are carrying a large share of the load. This is in contrast to any other federal program.

RECOMMENDATION: That the purposes identified in Section 101 be expanded to add the following: "(5) to provide assistance to individuals and business and industrial organizations to improve the productivity of business and industry in the United States." Additional concepts, functions, and funding to support this goal should be inserted at other places in the law.

The provisions for maintaining vocational programs should be retained in the Act and other purposes covered by setasides.

3. Keep the System Current

Consideration should be given in the law to provisions for keeping the system current. Significant investments have been made in most states in new facilities and equipment for vocational and technical education programs at the high school and post high school levels. Most of this money was state and local funds with the federal funds available under the Vocational Education Act of 1963 and subsequent acts providing impetus to the development through the funds available for construction.

It is now important to maintain the facilities, equipment, and instructional staff at a level to match the needs of people and business and industry for reindustrialization, and for the purposes of the standby role for national defense.

RECOMMENDATION: Funding should be provided in the new act directed toward maintenance and updating of facilities and equipment on a matching basis with the state and/or local communities. Investments in equipment is likely to be more economical and related to improvements thru investments in buildings.

Also, funding should be provided for teacher improvement and updating. The instructional staff must be kept up-to-date with changes in the occupational area they are teaching. Matching for this effort should be on the basis of the overall match not by this specific category.

4. Rescue Operations

As indicated in the opening statement, there is no evidence that expenditure of massive amounts of dollars on dropouts and disadvantaged out-of-school youth make them employable. Recent reports indicate groups dealing with disadvantaged out-of-school youth and adults cannot sell such persons to employers even when a significant part of the salary is subsidized.

It is reasonable to assume the process of rescue operations should be gradually eliminated by the process identified in item Number 1. For the foreseeable future future, however, it will be necessary to bring youth back into school for both basic and vocational education. Only the public education system has the resources and the skills to provide both basic education and job training for the quantity of youth to be rescued at an economic level.

RECOMMENDATION: Funds are needed for outreach and counseling personnel to work with youth who have dropped out of school or who are in danger of dropping out. Pay for work while in training and funding for special remedial services can be operated more economically through vocational education. As an example, work under school auspices can be paid at a lesser rate than the federal minimum wage law.

There are many examples of programming by the public schools meeting the needs of disadvantaged youth when funding is available for needed services.

Additional funds for the inner-city family life programs under home economics would have an impact upon families that have a history of failure, poverty, and low educational achievement. An investment in this program which improves the chances of children for success in school can be one of the factors in reaching toward solutions to problems facing our economy.

5. Depressed Communities

Major cities and communities from which major industries move out represent a special problem. Just as a new industry or expansion of existing industry provide training problems, the loss of industry requires retraining for new jobs particularly for persons who have been on special production jobs or unskilled jobs. An example of such a problem is the loss of the steel industry in Youngstown. A new industry is considering locating in the area, but the steel making skills do not fit the new industry. Another example is the shutdown of the appliance operations of General Motors in Dayton and the decision by General Motors to rebuild and retool the plants for automotive operations. The G. M. management requested significant help in retraining the workers for automotive production. In no case are funds provided for training while the workers are producing items for a company.

RECOMMENDATION: Legislation and authorizations are needed for the full funding of training in depressed areas with significant needs for retraining of workers. It would be reasonable to trigger the payment of the full costs for such instruction only upon indication of the State Employment Service or the State Department of Economic Development that such instruction is needed, including identification of occupations with the greatest need for training.

6. Administrative Concerns

A. Single State Agency

It is recommended that the concept of the sole state agency responsible for the supervision or administration of all the programs be retained. Any change from this policy will throw the decision on the agency to direct programs into the realm of the political, and could result in a fluctuating pattern of services to people based upon annual decisions on the division of funds without adequate coordination between the two or more agencies to which funding is assigned. Under such a pattern accountability would be extremely difficult if not impossible.

RECOMMENDATION: Retain Section 104(a) as presently worded.

B. Support for Five-Year Planning Cycle

Edgar Rules and Regulations specify three-year planning cycle as originally recommended and accepted by the Department of Education. We are in favor of retaining the five-year vocational education planning cycle with annual accountability and updates as in P.L. 94-482.

RECOMMENDATION: Retain the five-year pattern for the state plans as submitted to the commissioner as specified in Section 107 and 108.

C. Limitations of Subpart 2 to 80 percent of Appropriations for Basic Programs and Subpart 3 to 20 Percent

Present regulations limit expenditures in Subpart 2 and Subpart 3 to the 80-20 split between these two major purposes. Since states vary in need between local subsidies in operations of Subpart 2 and state support in Subpart 3, it would be to the advantage of the program to permit allocation to have between 70 and 80 percent for Subpart 2 and 10 to

30 percent for Subpart 3.

RECOMMENDATION: In Section 103(e) change the language of this section to provide the flexibility recommended above.

D. State Match Required on Disadvantaged and Handicapped Program

Present regulations limit the expenditure of Federal funds for disadvantaged and handicapped programs to 50 percent of the excess cost of vocational education for disadvantaged or handicapped persons and excess costs are identified as only those costs over and above the investments made in vocational training for such students. Regulation 104.303(a)-(b) states "will pay to each state an amount not exceed 50 percent of the excess costs," which include all expenditures for vocational education for such students impacting on all vocational programs for disadvantaged and handicapped.

Under this regulation the state must make investments in disadvantaged and handicapped programs beyond the investment into vocational training when such students are mainstreamed into programs enrolling regular students. Such mainstreaming is encouraged by law. The extra matching funds required do not take into consideration the overmatching of the federal dollars in other vocational programming.

RECOMMENDATION: Eliminate the requirement in the regulations relating to matching of "excess costs" with state funds. The term "excess" does not appear in the law.

E. Maintenance of Effort

Present regulations dealing with maintenance of effort worked well with an expanding student base and an expanding economy. The decline in the birth rate and subsequent effect on the public schools will soon make it impossible for the states to maintain their rate of matching equal to a preceding year. The existing law does provide for identification of maintenance of effort on a per pupil basis as well as a total basis, but the bookkeeping and accounting necessary to maintain such information and accountability will require excessive investment for the value received. Obviously, the states have maintained their level of matching far beyond that required in the vocational education law.

RECOMMENDATION: I do not believe that any other subsidy law requires such a stringent maintenance of effort. It is recommended Section 111(b)(1)(2) be adjusted to drop the maintenance of effort provision by insure that states may not substitute the expenditure of federal funds in place of state expenditures, thus protecting the integrity of the federal dollars in a period of time when there will be a temptation to replace state or local dollars with federal funds.

F. Requirement of State Match on Reimbursement for Local Administration

Prior to the enactment of Public Law 94-482, the individual states could use federal funds as an investment in local administration or leadership with such investments being matched on the basis of overall state and local funding for vocational education. Public Law 94-482, Section 111(a)(1)(c) requires that any payments for such supervision and administration from federal funds shall not exceed 50 percent of such costs if the non-federal share of such costs are paid by the state from appropriations for such purposes. This regulation requires states which are significantly over-matched to appropriate special funds for the matching of federal dollars for local administration giving no credit under matching for the expenditures made at the local level for vocational education for such supervision or administration.

RECOMMENDATION: Revise Section 111(a)(1)(C) by eliminating all language in that section after the word "recipient" on the second line.

G. State Plan Detail

The amount of detail required in the state plan is compounded by the six-digit program reporting for all components. The six-digit planning by individual district is required for local planning and the summary useful for statewide planning, but reporting to the Department of Education on the six-digit programs at the local level and breakout of budget at that level is not feasible. This item added 300 pages to the state plan.

RECOMMENDATION: That modification of Section 107(b)(2)(iii) and (iv) be made to accept six-digit reports for State level goals, but only indicate institutional objectives at levels (adults, secondary, associate degree, homemaking, etc.), not the six-digit level.

H. Child Care Services

Legislation is needed to include the children of adult students enrolled full-time in job training programs, primarily linked to CETA level programming. Present law includes secondary and postsecondary students only

RECOMMENDATION: That Section 120(b)(1)(K) be expanded by adding children of "adult" students to existing permissible purposes.

I. Program Improvement

Subpart 3 requires contracts to provide services for program improvement to the schools. Such contracts require a bidding and extensive clerical process which limits our ability to be of assistance to school districts. Under Subpart 2 there is a basis for grants for program improvement which do not have to follow the bidding process.

RECOMMENDATION: Section 131(a) be amended by adding the following "research coordination units and for contracts and grants by those units pursuant to." The underlined item is new language.

J. Reporting

The great expansion of functions reported and classified in the state plan process, accountability report detailing, data collection process, and program evaluation each five years has exceeded the cost authorized for funding under 102(d), let alone the appropriation made, which is significantly less than the authorization.

RECOMMENDATION: That functions identified in 102(a) be expanded to include the functions in 102(d), with matching on the basis of the overall match provision. This addition should be made in Section 120.

STATEMENT OF BYRL R. SHOEMAKER, EXECUTIVE DIRECTOR, VOCATIONAL AND CAREER EDUCATION, OHIO STATE DEPARTMENT OF EDUCATION

Dr. SHOEMAKER. Thank you, Congressman. I appreciate the fact of my remarks being put into the record, because I intend to summarize them rather than review them in detail. I have included in them quite a bit of information, both in terms of the proposed reduction in funding and in terms of the reauthorization legislation that is before your committee now.

I am the most fortunate State director in the country. I happened to become State director in 1962, at the time that you were working on the Vocational Education Act of 1963, and I had a chance to work with Mr. Mobley and yourself on that very bit of landmark legislation that has revitalized vocational education in this Nation.

Chairman PERKINS. Is Mr. Mobley still living?

Dr. SHOEMAKER. No; Mr. Mobley died several years ago.

Chairman PERKINS. What happened to his successor up there?

Dr. SHOEMAKER. Mr. Burgess is living, living and well in the Washington area.

Chairman PERKINS. Go right ahead.

Dr. SHOEMAKER. No place in the Nation can demonstrate better what happened as a result of your 1963 act than Ohio. Taking the money for what it was intended, we took some of it and for the first time had some money to build area schools in the State. We demonstrated what could happen with area schools using the Federal-local relationship of funds.

The State found out what could happen and as a result in 1969 passed a law that said that every boy and girl in Ohio had a right to an adequate program of vocational education.

In our State, since 1965 we have invested over $534 million. The minor share of that has been the Federal funds, with the State share and the local share larger, for the facilities and equipment in that State.

Over 97 percent of the young people now have an adequate program of vocational education, which facilities also serve the adults as well. We are going to get that last 2.4 percent, Congressman.

Over 40 percent of all young people in the last 2 years of high school in the State of Ohio are enrolled in job training vocational education. Our major cities have a higher percentage than 40 percent of all young people in the last 2 years of high school in job training vocational education, plus the homemaking classes.

So the role of Federal funds has had a vital effect upon our State and upon our educational system. And I recall a story that Mr. Mobley used to tell. As they say, the President's budget proposes, well, this is only a small cut, it will not hurt much.

I recall one time he told me the story of 10 elephants who normally hooked their tails onto each other and would follow each other along then. And they were crossing a railroad track one day and one of the engines hit one of the elephants. Now, it is true that they only hit one of the elephants, but it jerked the tail end out of the other nine of the elephants.

And so the process here of this seemingly small amount of money. In Ohio it is not small to us; it is $9 million. It is over $9 million that will be cut in the State of Ohio. It will hurt in terms of disadvantaged and handicapped programs, because we put more than our required amounts into that.

It will hurt our adult vocational education program because we put more than our required amount into that. It will hurt the young people where we were putting the little stipends in, those dropout young people.

And in my testimony I identify exactly where the cuts will come. The cuts are identified in here, and they will hurt. They will hurt significantly.

One of the major areas that is going to hurt is that for the first time, for the first time, with the increased moneys you gave us this past year, we put some money into what we call reindustrialization. And quite opposite some of the things that you've heard here today, it is not only the small companies that are now looking for help in training. Some of the largest companies in the Nation ask us very directly to be of assistance to them as they were working with redesigning some plants and re-employing some 4,500 people.

But what we are finding, it is not just a case of offering training. We have had to work out with that company a training plan and a training package which deals with a whole range of services, not just saying we will put on some classes and have classes for you.

As we began to work with that company, 11 other companies now, and many of them large companies, not just small companies, have come to say, we need your help, we got out of the training business. We got out of the training business and now we find it has affected our productivity. And we need to be re-entered into this, but into a planned pattern, and come and help us, not only with your money, but come and help us with designing the programs and looking at really somewhat of a redirection of management techniques, as they see the success of the Japanese approach to participatory management involved with the personnel.

So we have seen this grow in the State of Ohio. And one of the first things that will have to be cut will be this effort.

I wonder what we have lost, when we have been so successful in vocational education, to punish the only program at the national level that has generated more State and local dollars than have been provided to it. Because we have been successful, because we have been economical, now we are to be punished in a period of time when, OK, it is not the case that vocational education is a sacred cow and it should not be cut.

Chairman **Perkins**. I wondered myself why Dave Stockman could not realize that this program has generated so much financial support from the local and State level with so little from the Federal level? Why did he have to touch a program of this kind? It just shows complete inexperience. That is all it shows.

Dr. **Shoemaker**. It shows, let me use an example. We are working with one major company. One of the items we were working on with them, we said, we will bid this service. For this service their individual corporation unit, which is a separate unit, bid $9,000. A college level bid $5,000. One of our local area schools bid $1,600, and I was on the phone to them why they charged $1,600. And they cut that.

Now, anyway you slice it, costs of training go into profits, whether it is a public expenditure or it is a private expenditure. And one of the points I would make is, we will do the job often cheaper to the public through an investment of public funds than if it is done through a private investment pattern, even within their own company.

Two or three weeks ago our Governor asked us to look in the newspapers and tell him how many jobs were there that, if the people were trained in vocational education, they could fill those jobs. We just took seven newspapers, not the whole State because we did not have the time. There were over 4,000 jobs in those seven newspapers that if the people had had vocational training they could have become employed.

The issue is not only the one of jobs. Even today, we are short of machinists, we are short of tool and dyemakers. The shortage occupations are something that, if we had the dollars, this summer when our facilities were open, I could throw significant numbers of people into training. Overnight I could put them into training.

The movement in the defense industries. Some have come to us and said, if we get this contract we are talking 6,000 and 7,000 people; what will you do, because the people are not out there? The welders, the draftsmen, the people are not out there.

Redevelopment of the Nation is not only coming back in terms of the tax dollar. Redevelopment of the Nation, as you know, Congressman, because you have given your life to this, is a matter of building the manpower in this Nation as well.

We could save ourselves into further depression if that saving diminishes our ability to provide trained people for the nature of the work that we have to do.

I have indicated in my testimony much more details, suggestions in terms of the reauthorization as well. And I think the existing bill could be adjusted and changed to meet the new needs, just as the 1963 act changed us. And you did it.

You changed us in vocational education to look at our social responsibilities. Now I think this new act, this reauthorization, has an opportunity to look, not to abandon that, but to look to a new role that we must play in an industrial revitalization in this Nation in order to become competitive with the rest of the world, revitalization, which revitalization takes trained manpower as well.

So I would plead to take a look as you did in 1963, to look ahead. I think the 1963 act saw what was coming. And we plead to look ahead at the 1980's in terms of the need for economic revitalization, just as you looked at the social revitalization in 1963.

Chairman Perkins. Unfortunately, the act is not permanent. And unfortunately, we have to extend the act next year. We have to. If we did not have to extend it next year, because many provisions expire in September 1982, we could concentrate altogether on the funding. However, I do not anticipate too much trouble in the extension of the act.

Nevertheless, we have a great selling job to do throughout the Nation. I see a representative of the NEA over there. And if we fail to do this selling job throughout the Nation, some Members of

Congress could write some provisions into the statute, when this act is extended, that would do tremendous harm to us in the future. Some people are not aware of the real contributions of vocational education.

And that is the reason we have got to keep on our toes all year. I do not want to bring a vocational education bill to the floor until we get this funding question settled.

But in the meantime, while we are concentrating on extension, we will make sure we are also concentrating on the funding. And that is the real issue before us up in Washington.

A great pleasure, Byrl. We will go ahead. We will hear you again. We will go ahead with the rest of the panel.

Mr. Robert Gehr, president, UAW. Yes, that is you. Go ahead, Robert.

STATEMENT OF ROBERT GEHR, PRESIDENT, UNITED AUTO WORKERS CAP, TROY/LIMA AREA, OHIO

Mr. GEHR. Chairman Perkins, I am very happy to be here today. I am Robert Gehr. I live at 2425 Sunderland Road, Cridersville, Ohio, and I am a member of the United Auto Workers International Union and I am an industrial worker in the plant.

I serve my union in the elected position of president of the UAW CAP Council in the Lima/Troy area. Today I am speaking on behalf of not only the UAW CAP Council members, but their families, but also the laid-off members and those of us who have retired.

We have a membership of 15,000 people located in seven counties in northwestern Ohio, served by eight vocational schools. I personally have a daughter that is a senior enrolled at the Appollo joint vocational school and a son who has completed work at the Vantage vocational school.

The CAP Council is a division of our union which is charted with the responsibility of protecting the off-the-job welfare of the UAW members. We deal with problems which are not directly related to collective bargaining. The CAP Council is often referred to as the political and social arm of our union.

Due to the economic conditions and high rate of unemployment and plant closings in this part of the State of Ohio, we feel that the timing is bad for cutting funds for vocational schools. Vocational education will play the most important role in the retraining and upgrading of the skills necessary for reemployment and keeping up to date with the new technologies.

I am here today to discuss with you the UAW CAP Council's point of view on the effect that it would have on the laid-off members and all the people in the area that are already in bad need of more training. The proposed cuts of Federal funds by the Reagan administration for vocational schools will make things worse for those who cannot afford the cost of retraining or upgrading now.

We have no one within our organization with the expertise to address the issue of school funding. But we recognize, with the 25-percent decrease in available Federal funds, that this would have an overall effect by cutting not only programs and equipment, but the highly qualified, the qualifications of workers and supportive services that they now offer.

A new proposal made by the Reagan administration concerning new tax incentives for business will make it possible for industry to invest in new machinery and use of new technologies. Therefore, industry will demand the upgrading and retraining of employees to meet their needs. Vocational schools are the main facility of retraining and upgrading in this area of the state.

Cutting the programs that have proven to be successful is unthinkable. I cannot understand why one wants to cut vocational education funds when the Ohio Bureau of Unemployment releases facts showing that only 2.5 percent of the adults that have attended vocational schools for retraining or upgrading were unemployed as of November. This is in a State that has a 10-percent plus unemployment in 1980.

That tells me two things: Vocational schools are doing their job. If the Reagan administration cuts are going to stimulate the private sector into creating new jobs, we had better have someone ready to retrain these people.

People are entitled to job opportunities at a livable wage. The Government can cut funds. They can cut them to zero. But what about the people? They are still here. Are we going to let these workers, who have paid their taxes, been good citizens and worked at the same job for 30 years, just set there on their behinds and twiddle their thumbs for the rest of their life because their plant closed, or are we going to give them the hope of obtaining new employment or retraining or upgrading their present skills? Which will it be?

Don't forget, high unemployment brings on increases in such things as alcoholism and crime. Right or wrong, people tend to drown their sorrows in alcohol and drugs, and they will provide for their families even if they have to steal.

I also believe the frustrations brought on by not having a job or a hope of one leads to divorce and suicides. Recently I have noticed that many young people in the obituary, when I read the obituary, it states, John Doe has recently been employed by blank, or John Doe has been laid off from.

No, I cannot say John Doe took his life because he did not have a job. But can you say he did not?

I have been asked this question: Why retrain if there are no jobs available? Are you telling me that the President's tax cuts and incentives to the private sector are going to create new jobs? Are we to assume that there will not be any new jobs in the future?

Now, assuming that the President's new policies work, would it not be better to have people trained and ready for those new jobs when they are open and not delay the economic recovery in this area while waiting for new employees to be trained.

Also, I might point out, there are jobs available now in the area, in my area for those who have been properly trained. Employers no longer train employees like they did 20 years ago. This job has been left to the vocational schools.

In closing, I would like to point out a success story that has been given a half page in the Lima News on February 22. This young man, Alan LaRotunda, graduated from a vocational school in 1977.

His trade area was horticulture. Alan wanted to start his own business, but the banks laughed at him.

He started working for a man who was ready to retire. After 1 year, Alan talked the man into selling him the business on a land contract. Today, at the age of 22, this young man expects to gross a quarter of a million dollars and has 14 employees in his landscaping business.

Now, this is not the only success story. I am sure there are many more. I would say that this young man has employed more than GM and Ford and Chrysler in the last year. [Laughter.]

Mr. GEHR. Thanks to the members of the congressional committee for the opportunity to be here. And the Lima Area CAP Council would like to thank the Committee on Education and Labor to hear our views in this most important matter, to protect and maintain the quality of life of our members and all other members of our society. I hope you will consider our views when you make the decision on this most crucial matter.

Under our system of government, we must rely on you to look out for our interest, and we maintain confidence that you will do so. Thank you very much.

Chairman PERKINS. Let me thank you very much. I enjoyed your statement.

You reminded me of a great thinker, to read all these youngsters' minds. I remember in the days of the Depression when so many people lost their fortunes and jumped out windows when I was in law school in Louisville. I used to read all those stories, you know.

Mr. GEHR. Mr. Chairman, it makes us very sad in our area to look at the people that we represent and recognize what they are going through. It is something that I have never had the experience to do so, and I am sure you guys have looked at some of the problems of people, and it is very depressing.

Chairman PERKINS. Mr. Gary Kitchen, Standard Supply Co., Ohio. Mr. Gary Kitchen? Go ahead, Mr. Kitchen.

STATEMENT OF GARY KITCHEN, PRESIDENT, STANDARD SUPPLY CO., PORTSMOUTH, OHIO

Mr. KITCHEN. Mr. Congressman, my name is Gary Kitchen. I am the president of the Standard Supply Co. in Portsmouth, Ohio. I wish to testify to you on the merits of vocational education in Ohio and in particular the merits of the Scioto County joint vocational school district in Scioto County near Portsmouth, Ohio.

I am well acquainted with the vocational education in our Scioto County joint vocational school. My company and other companies that I am acquainted with hire vocational graduates, both high school and adult, and we are well pleased with their performance.

The training that our vocational school students are receiving is the primary difference between many of them working at skilled jobs and drawing a good salary or having no employment at all and joining the rapidly growing of our unemployed in Scioto County.

A recent followup study that was conducted between January and February in 1981 gave some interesting information about our 1980 vocational school graduates. One of the interesting facts that we tabulated is that 79.5 percent of our May 1980 graduates are either employed in the military service or pursuing additional education, while only 11.6 percent are as yet unemployed, and 9 percent are homemakers not seeking employment; 11.6 unemployment of our young vocational school graduates in an area that has an unemployment rate in excess of 18 percent indicates to me that our vocational graduates are properly trained for jobs and are working.

Each time I visit vocational centers, I am impressed with the optimistic signs that I see for the future. And more often than not the source of that optimism that I see is the youth and adults that I meet at the Scioto County joint vocational school.

On any weekday or evening, I can walk about the school and see young men and women engaged in meaningful activities, learning how they can make a living and learning with a zest. Their pride in their pursuits can be seen in the way they perform in the various programs, in the cohesiveness that they have developed in their individual classes, and the manners with which they conduct themselves, the care that they give the facilities and the pride that they reveal as JVS students.

Another source of optimism that goes hand in hand with what our students are accomplishing is the outstanding effort being made by our instructional staff. I have never met a group of men or women who are more committed to their task of teaching young people. As long as we have this commitment to build on, the future of vocational education in Scioto County is promising.

The problem that we are having right at the present time in Scioto County, Congressman, beside a loss of industry and such a high unemployment rate, is the fact that the present Federal administration is considering cutting funds for vocational programs throughout the Nation. As a businessman, I would not be particularly concerned with cutting the funds of this program or any program if I felt the program was not doing 100 percent of what it was intended to do.

But when I see the training and the activities that are going on in our vocational center, I cannot believe that any administration would want to curtail these efforts. In an area of excess of 18 percent unemployment, the competition is very keen for jobs in our particular area. The training received at the JVS enables the high school students and adults in Scioto County to compete for the jobs that still remain available, and it also enables them to move to another area to compete for jobs in the bigger cities, which is much better, in my opinion, than to remain in Scioto County with no training and become a third generation statistic.

If our students do not have the skills and the training to move to other areas and compete for jobs, then their last resource is to stay in Scioto County and to stay on the welfare rolls, which as you know is a very expensive Federal cost.

The impact of vocational training in our area has been very significant and its continuation over the next decade will be equally vital. For the present administration to single out vocational education to absorb more budget cuts would be extremely detrimental to Ohio and be extremely detrimental to our southern Ohio area, which is poor and less advanced than the rest of the country.

We need for vocational and technical education in southern Ohio to grow rather than to be restricted. We need money in vocational education so that we can continue to upgrade our programs with the finest instructors and the best equipment, so that our students will be well prepared when they leave the Scioto County joint vocational school and will be ready to compete for jobs in our area and any other part of the country.

If you would come to Scioto County and talk to the graduates of our vocational center, their parents, relatives, 99 percent of these people would tell you that the best thing that ever happened in our county was the construction and the beginning of the Scioto County joint vocational district.

Our vocational school, since its beginning in 1968, has passed three levies to assist with the operation of the vocational center. Unfortunately, with a small industrial base and a small population, the money that we have received at our joint vocational school from these levies has not been able to keep up with the inflation rate. The three levies since 1968 will verify that the people of Scioto County place much confidence and trust in the training of their youth and their adults in the vocational center.

Vocational education is the backbone of education in Ohio and particularly in southern Ohio. If we weaken that backbone by taking away from it, then all we can expect to do is to continue to weaken the economy's structure in Scioto County.

As a businessman, I cannot sit idly by and watch that happen. That is why I am here today. I deal with finances and productivity each day of the week. I have always found that the most productivity for the least amount of financial burden is still the best method to operate. I believe, and many others like me believe, that the most productive and least expensive training program in our country is vocational education. I feel that you also believe this.

Our Federal budget's top priority should be to redirect our investments from other agencies that cannot do the job effectively and efficiently into our vocational education programs that have proven over and over that they are the best delivery system for training youth and adults in our country.

If you will keep that foremost in your thoughts over the next few months, the businesses, industry, youth, and adults of our Nation will have a future, a good future to look forward to.

Thank you.

Chairman Perkins. Thank you very much.

Mr. Napier, Wayne County, superintendent, West Virginia.

[No response.]

Chairman Perkins. Is Mr. Napier here?

Voice. No, he is not here.

Chairman Perkins. All right. Any representative of Mr. Napier here?

Voice. He was here earlier today.

Chairman Perkins. He was here earlier and testified on the other program.

All right. We have got our next witness, Mr. Dennis Davis, Kanawha County Schools, assistant superintendent, Charleston. We are glad to welcome you here. Go ahead, Mr. Davis.

STATEMENT OF DENNIS E. DAVIS, ASSISTANT SUPERINTENDENT, KANAWHA COUNTY SCHOOLS, CHARLESTON, W. VA.

Mr. DAVIS. Thank you. Mr. Chairman, Congressman Hawkins, Congressman Kildee: Before I begin my testimony, I would like to express my sincere appreciation for the opportunity to come before you to talk about vocational education in West Virginia and about Federal vocational legislation.

I also serve as president of the West Virginia Vocational Association, chairman of the West Virginia State Planning Committee for Vocational Education, and vice chairman of the West Virginia Advisory Council on Vocational Education.

I certainly want to thank you and other members of your committee, who have shown such a tremendous interest in vocational education and have supported Federal vocational legislation and funding.

For too many years, vocational education carried a heavy burden upon its shoulders. For too many years, vocational education was only a foster child, an orphan bounced from pillar to post with no place to go in educational circles. In the cafeteria of educational institutions, we were the last to be fed. Even then, only leftovers and table scraps. And believe it or not, we were made to sing for that.

The stigma that was attached to vocational education was tremendous, Mr. Chairman. That stigma nearly stifled us in recent years. So great was this attachment that in recent years it drew the attention of American industry seeking new products for marketing. After all, anything that can stick to vocational education as well as stigma has in the past must be good for this country.

I am happy to announce that industry has been able to remove some of that stigma, and you can find it on your grocery shelves under the trade name of Wonder-Bond or Super-Glue. One drop lifts man or beast, car or truck.

For many years vocational education has languished in the basements of school houses across this country. It could be found in abandoned buildings and old portables out back and away from the mainstream of school life, almost as if it were an afterthought or embarrassment to school systems and educators.

Much of that has changed now, Mr. Chairman. Vocational education has gained a great deal of respectability, visibility, and acceptance. Truly a drastic turnaround. This great phenomenon can be traced to a single source. It is a source with a vision, a source with concern for the future of this Nation and its people, and a source which could see importance and critical need to provide vocational education training for our youth and adults. That source, Mr. Chairman, has been the Federal vocational education legislation and supporting funds which you and your committee has been instrumental in providing to the people of West Virginia and our Nation.

Vocational education today has become a shining star, a ray of hope, and a vehicle for upward mobility for millions of Americans. It has been the single ticket for many away from the unemployment lines to the mainstream of productivity in America.

What other means do we have for training the work force in this country? What other vehicle can we utilize to bring student, teacher, and equipment together at one point and at one time?

Where would the unemployed, the dropouts, the unskilled turn for training? How does one revitalize America while at the same time discontinuing training programs for its citizens?

And what about the high school graduate who finds doors to opportunity and employment closed because he or she does not have the employable skills necessary? And the college dropout. I am sure you have seen the same research that I have which indicates that as many as 50 percent of all students going off to college never graduate.

Where do they turn at that point in their life? They were in a college preparatory program in high school, so they received no vocational training. Now, after a year or two in college, they drop out. These individuals are in dire need of training; no job, no training, an unemployed statistic.

Mr. Chairman, the labor force is changing and I am not sure many are aware of these subtle changes. In fact, many college graduates today cannot find employment in their field of training. How many times have you seen college graduates working in jobs requiring little or no training? They are working in fast food stores, on loading docks, as clerks and attendants, and so forth.

Why? Because the labor market changed while they were away at school spending the last of mom and dad's life savings, and no one told them. A dream shattered.

Couple this, if you will, with the proposed discontinuation of Job Corps, CETA, and the other manpower programs, and it becomes abundantly clear that training in the future will not be possible for many Americans. Revitalization, a pipe dream.

It has been suggested that each state will be able to offset or make up any difference created by a reduction in Federal vocational funds. One need only go back to the 1940's, the 1950's, and the early 1960's to see how well States were inclined to provide funds for vocational education. You will find that vocational education was not provided for by the States, they were not supported with local funds. They were ignored.

Mr. Chairman, if Federal vocational legislation is reduced, then all your efforts in the past will have been for naught. Take West Virginia, for example. The State budget for education is before our legislature at the present time, as submitted by our Governor, John Rockefeller.

The Governor requires each Department of State to submit three budgets each year: one which says how much money is required to maintain the current level of programs in the State; the second reflects a 5-percent reduction in State funds; and the third is the improvement package for construction of new facilities and the purchase of new equipment.

For the last 4 years, he has sent the minimum or the reduced budget to the legislature for adoption. And he did the same thing again this year.

Basic mathematics suggests that if this continues we will eventually reach zero funds for vocational education in West Virginia, in State funds. Each year we are forced at the local level to discontinue programs and increase the tuition charges to those remaining in the program at the adult preparatory level. No funds for equipment or new facilities.

States have been hard hit in recent years due to inflation and other increasing costs. At the same time, revenues are down, such as gasoline sales tax, road users tax, and many others. Additionally, the anticipated strike by coal miners will make this an even greater problem in West Virginia.

At this moment the State department of highways is requesting an additional $31 million for operation next year. Other departments are requesting anywhere from $8 to $9 million for increased operation for basic services.

Not only are we faced with decreasing revenues in West Virginia, but also with the threat of obsolescence of entire occupations. In West Virginia, this threat has been realized by the laying off of workers in factories that have been mainstays of our local communities: Libby-Owens Ford Glass, 400 workers; Autex Fibers, 800 workers; Louis Marx, Inc., 839; over 16 major industries in recent months, costing 3,784 persons their jobs. Unemployment in January of this year was the highest since 1975, 9.1 percent of the total labor force.

I fear that our new vocational centers built through your legislation in recent years could be phased out as vocational training facilities. I say this because it is cheaper to move costly vocational equipment and programs out of these facilities and move academic tables and chairs in. Overnight boards of education might make this transition.

And what will they use as an excuse for this? Well, the Federal money is decreasing, the State money is decreasing, and we cannot afford to maintain these programs with local funds. However, we do need a new junior high school or perhaps a senior high school. Abandon the old schools and move into the relatively new, no longer useful, vocational technical center. Far-fetched, you say? I think not.

The real unfortunate thing about all of this is the dramatic increase in vocational enrollments in West Virginia, 238 percent since 1970; from 54,537 to 129,909 in 1979. Job placement? Of our secondary completers, 91.57 percent obtain employment; 96.6 percent of our adult completers were employed.

And while we were experiencing all of this growth in vocational education, secondary schools have been experiencing a decline in their enrollment.

From 9 vocational facilities in 1963 to 38 vocational facilities in 1970 and 94 today. Mr. Chairman, this was made possible through Federal vocational support. It must continue and it must expand.

I would like to close my remarks on a personal note, if you do not mind. I think it points out the power, the importance, and the meaningfulness of vocational education to young people.

As a young lad of 14 I was sent home one day with a note from my school principal. The note said that Dennis had reached his potential and that next year he would become a vocational student for the remainder of his years in high school. I was an eighth grader at the time, with 4 more years to go. A note like that from school was the kiss of death at my home in those days. My dad was very upset and my mom in tears.

Well, I soon got into the vocational program and started enjoying the things that I was learning. It was a vocational agricultural program and our instructor required each student to complete a project. You may raise chickens, hogs, a garden, whatever the case may be. The grade was based on the project. A prize was awarded to the No. 1 student.

Our instructor made weekly visits, unannounced, to see how you were progressing. In my case he would check for weeds, the moisture content, spacing, plant development, overcrowding, and so forth.

Through my efforts with this little garden it became necessary for me to read, to write and to calculate. When the instructions on the fertilizer bag said to spread so much an acre, I had to find out quickly, since I did not have an acre, just how much of this fertilizer to spread.

Needless to say, the vocational project helped me in numerous ways. In my mathematics, my reading and writing skills, I had to improve because of periodic reports I had to file on this project.

To make a long story short, something happened as a result of my efforts with this project that changed my whole outlook on life. I was able to win first prize. I could not believe it. I had never made the honor society, or the debate team, or the high-Y. I could not even make hall patrol. And yet I had won first prize.

The motivation, inspiration and desire to improve that this vocational experience gave me was like a bolt of lightning. And today it is still with me. I feel very fortunate to be serving today as chairman of the West Virginia Planning Committee for Vocational Education, to also be vice chairman of the West Virginia Advisory Council for Vocational Education and the current president of the West Virginia Vocational Association. I can trace it all back to the first vocational experience. I know the importance and the impact of vocational education on the lives of youth and adults.

I do trust, Mr. Chairman, that you will continue to fight for vocational education. Your support and efforts in the past have been so instrumental in getting us out of those basements of yesteryear and into the vocational facilities of today.

You can be proud of your accomplishments in this area. Millions of Americans are indebted to you for the way in which vocational training has changed and improved their lives. We can only hope that the new administration will not destroy all that you have done.

I want to thank you and the members of your committee for giving me this opportunity to discuss my views on this critical subject of vocational education and the future. Thank you, Mr. Chairman.

[Attachment to Dennis Davis' statement follows:]

MINISUMMARY OF FY 1982
VOCATIONAL EDUCATION BUDGET

ACCOUNT	BUDGET ITEM	DESCRIPTION	APPROPRIATION FY 1981	MINIMUM FY 1982	CURRENT FY 1982	IMPROVEMENT FY 1982	GOVERNOR'S RECOMMENDATION
2900-04	VOCATIONAL AID	In order to reach the minimum level, it is projected that the vocational aid support formula will remain the same as the prior year. Tuition for adult preparatory programs would need to be increased from $300 per year to $900 per year or discontinue 80 adult preparatory programs currently operating. Tuition rates for adult extension would be increased from 25 cents per hour to 50 cents per hour or reduction of 400 classes would be required. (COST REDUCTION FROM CURRENT TO MINIMUM $997,965) The current level package provides the same funds as appropriated in FY 1981 without any increases for enrollments or inflation.	$8,948,145	$7,950,180	$8,948,145	$2,101,660	$8,589,786
	START-UP OF NEW FACILITIES	The funds requested here are to implement State Board policy which helps defray the costs incurred with initial operation of new facilities -- Cabell, Hancock, Wayne, Greenbrier, Monroe, Barbour, Marion, and Lincoln Counties are eligible for new facility start-up costs in FY 1982				($1,161,660)	
	SECONDARY AND ADULT VOCATIONAL EDUCATION PROGRAMS	The improvement package for secondary and adult vocational programs has been requested to redirect or change 17 programs at the secondary level and add 10 new vocational programs at the adult preparatory level. Six (6) programs will be redirected and 10 new programs will be established. Additional formula funds above the current level will be supplied to help offset inflation.				($940,000)	
2940-04	NEW AND EXPANDING INDUSTRY TRAINING	In order to reach the minimum level budget the 80-hour and 40-hour miner orientation programs will be reduced approximately 30%. In addition to some reduction in new plant start-up training, a total of 2,300 fewer persons would be trained in this program. (COST REDUCTION TO MEET THE MINIMUM LEVEL IS $56,000) The current level package provides for continuation of the program with no increases for inflation.	$546,500	$492,468	$548,468		$493,123
2890-14	EQUIPMENT FOR NEW FACILITIES	State funds are needed to match local funds to equip four new facilities which will open in the fall of 1981 -- Cabell, Hancock, Wirt, and South Wayne.	$375,000			$1,299,935	

(OVER)

MINI-SUMMARY OF FY 1982
VOCATIONAL EDUCATION BUDGET

ACCOUNT	BUDGET ITEM	DESCRIPTION	APPROPRIATION FY 1981	MINIMUM FY 1982	CURRENT FY 1982	IMPROVEMENT FY 1982	GOVERNOR'S RECOMMENDATION
9700-17	CONSTRUCTION	Demand for vocational education continues to increase dramatically requiring additional facilities to be constructed. Of the many requests received for vocational construction, the State Board of Education has prioritized these into a request for one (1) new vocational facility, additions or expansion to six (6) vocational centers or high schools, and eight (8) regional fire fighting facilities. State funds are needed to match local and Appalachian Regional Commission (ARC) funds. Facilities requested are: Kanawha County, Lewis County, United Career, Mason County, PRT, Mingo County, and Hampshire County.	$900,000			$8,083,750	
NEW	COMMUNITY EDUCATION	There is currently no state appropriation for community education. Funds are requested to provide a $10,000 grant to each county to be matched with $10,000 in local funds. Funds will be used for county coordinators' salaries or operation of community education programs. Funds are also requested to provide state leadership and administration.				$580,000	$580,000
2890-06	ADULT BASIC EDUCATION	The minimum level budget will eliminate classes for approximately 360 adults that were provided for in the current year. (COST REDUCTION TO THE MINIMUM LEVEL IS $74,181) The current level package provides for continuation of the adult basic education program with no increases for inflation. The improvement package for adult basic education provides money for additional costs due to inflation and provides programs for the enrollment of 2,000 additional adults.	$709,000	$640,925	$715,106	$300,000	$644,736
2090-12	REPLACEMENT OF EQUIPMENT	Additional funds are requested to meet the increased needs of county boards of education for replacement of worn and obsolete vocational equipment. This appropriation has remained the same for the past three (3) years. Funds requested in this improvement package will help offset inflation.	$750,000	$750,000	$750,000	$225,000	$750,000

2/10/81

Chairman PERKINS. Thank you very much.

Mr. David Groves, director from Huntington, W. Va. We are delighted to welcome you here today.

STATEMENT OF DAVID H. GROVES, DIRECTOR, VOCATIONAL, TECHNICAL AND ADULT EDUCATION, CABELL COUNTY PUBLIC SCHOOLS, HUNTINGTON COUNTY, W. VA.

Mr. GROVES. I am David Groves, director of vocational, technical and adult education in the Cabell County school system in Huntington, W. Va.

Congressman Perkins, thank you for the opportunity to express myself concerning the proposed Federal cutbacks and their effect on vocational education.

Vocational education prepares students with realistic job skills so that they can become successfully employed. Our success is measured by the number of students who complete a training program and then secure a job in the area they have been trained for or go on to further education.

In West Virginia last year, over 91 percent of those secondary students who completed a vocational program were placed successfully. Adults enrolled in full-time vocational programs had an even higher placement record, over 96 percent.

Our adult preparatory programs, which are full-time adult vocational classes, are some of the most successful we operate. Typical adults entering one of these programs have already worked at several jobs, but through the lack of occupational training have not been able to develop their personal abilities into a successful career. They enrolled in an adult preparatory program determined to complete the program and to immediately go to work in the area of training.

These programs are certainly cost effective. Federal cutbacks would force us to greatly increase the tuition or eliminate many of these programs.

To further emphasize the success of vocational education in the State of West Virginia, over the past 10 years enrollment in vocational programs has increased 238 percent. During the same timespan the overall number of students has decreased. This makes the increase in vocational education even more impressive.

It is well known that rapid changes in technology are being made daily. If we are to continue to train the work force of tomorrow, vocational education needs increased support, not cutbacks.

The changes in technology affect many of today's workers negatively. Those employees without the skills necessary to match the current labor market needs are terminated. Vocational education has been retraining adults so that they can continue to be a productive part of the work force.

Currently our Cabell County Vocational Center is operating training programs for employees laid off from Owens Illinois, Houdaille Industries, Armstrong Products, Connors Steel, and several others. The proposed Federal cutbacks would eliminate the funds necessary to retrain these individuals. Without current job skills, these people would remain unemployed. Instead of taxpayers, they would be tax eaters.

In Cabell County, the expansion of vocational education for secondary and adult students has been dramatic. Within the next few months, our new vocational technical center will be completed. This facility will more than double our training capacity.

The $5.6 million building contains construction funds from local, State and Federal levels, as well as the Appalachian Regional Commission. There are many other areas in our State and region in need of similar modern vocational training facilities. If the proposed cutbacks become a reality, many high school students and adults will be deprived of this opportunity.

During the past several years, mandates concerning education for exceptional students have caused vocational budgets to be stretched beyond belief. Vocational educators do not question the right of exceptional students to receive an appropriate education. However, the problem is the cost factor.

It costs much more to provide appropriate vocational education for these students, due to the need for lower class sizes, additional staff, extended training time periods, increased guidance and placement services, modification of equipment, and the purchasing of specialized tools and equipment. As more State and local money is channeled into these areas, the regular students suffer. Instead of dividing available funds into more areas, we need more funds.

Please help us to meet the training needs of our country and not to withdraw into the past. If America is to regain our proper place as leader of the industrialized world, we must effectively provide vocationally trained workers to meet the increased technological demands of tomorrow. Vocational education is the solution, not the problem.

Thank you very much.

Chairman PERKINS. Thank you very much.

Our next witness is Mr. John Hall, Ohio Education Association.

STATEMENT OF JOHN HALL, OHIO EDUCATION ASSOCIATION

Mr. HALL. Thank you, Mr. Chairman.

I am responsible for the lobbying and general programs of the OEA, directly under the executive director of the association.

You have heard about vocational education problems in our State, and they are serious. We have other areas of education with even more serious handicaps. We have some programs that are only trying to stay open, and a number of school districts that for several years have tried to stay open, short of financing. Regardless of the amount that the Federal put in, at the levels it has been funded, the State and local moneys have not provided what was needed.

We now find the Federal moneys being cut heavily, and I must tell you a little about the impact it is going to have on the numbers of people and the numbers of students, because that is, I think, where we really get to what it is all about.

We have about 6,000 to 8,000 teachers in our State in programs funded by State and Federal funds in some areas that you have heard about and will hear about, that will not have jobs next year if the Federal and State cuts remain as they are. The Federal cuts just make much worse what is happening already from the State cuts.

In our State and Federal proposed budgets combined, we have no funds, none, earmarked for disadvantaged pupils in any program. We have no funds earmarked for areas of career education, drug education, alcohol education; none earmarked for any staff development. The teacher center programs from the Federal level and the in-service program money from the State level, all gone.

We feel confident that the 6,000 to 8,000 number is low. And I tell you that our classrooms in our State are already 17 percent higher, larger than the average classrooms across the country. They will be considerably larger next year, and the students who will be added to those classrooms are students who are in special programs now, vocational, handicapped children, disadvantaged programs.

They are the kinds of students who are there because they need that kind of program and it will no longer be available to them. They are going to be placed in classrooms and not only will those literally hundreds of thousands of students be affected directly, but they will affect the rest of the student body directly when they go to those classrooms and are unable to be handled as a regular classroom student because the program there does not fit what they need and in many cases they simply cannot perform.

So we are not talking just about the ones who are not going to have the program they need; we are also talking about the rest of the students, who will have their programs disrupted at least to some extent by having students in their classrooms for whom the teacher has no training, no knowledge of how to handle them or teach them, and yet who have to be handled.

We have about 7,900 classroom trainers in vocational classes in our State. We have 10,500 classroom teachers in special education for handicapped children. And we have about 6,400 teachers working with handicapped disadvantaged children.

The disadvantaged children, programs for them are completely eliminated. The funds in those areas are no longer earmarked at all at either the State or Federal levels. And our districts over the State, literally hundreds of them, that are short of funds to operate their general program will use these funds for that purpose.

The normal type of contract a special teacher in this area, a disadvantaged program, has in our State calls for employment the following calendar year or school year, whichever their contract is, if Federal or State funds are available. If the funds are cut off, the contract is invalid and the program and the teacher are no longer there.

That is the normal practice and we fully expect school districts, since they will no longer have to have these people in these programs to get the funds, to use the funds the way they need to for their general program.

We are talking about enough money from the Federal cuts alone to affect one out of every 26 children in the State. That is about how many we educate with Federal funds if you take our per pupil cost and you take our Federal cuts. That is what we are talking about, almost one pupil for each classroom in the State, the funds are gone for that many.

I wanted to mention something about nutrition, because I do not believe that the people that are talking about cutting the lunch programs and the nutrition programs have even looked at the research about what nutrition means to a baby and a young child. The prenatal and early, very early childhood nutrition is vital simply for mental growth, the physical aspects of the person's mind growing.

We have research that has been developed, that has been published recently. The magazine Natural History put out by the American Museum of Natural History has printed a good bit of research on this subject, that indicates that if a child has malnutrition problems from very early childhood and has a brain development that is inadequate, that has been retarded or depressed, that that can be recovered by certain kinds of activities and nutrition within the next several years after that point.

But you have got to get it at one of those two points, because after that it does not happen. In fact, until very recently we were not even aware that it could even be done after the child is a few months old. We can now. We can do it after they are even at early school age.

But that means that the nutrition has to be available to the mother before the child is born and for the child in very early life. And for those who do not get it at that point, we have got to have programs that pick them up by the time they are 4, 5 or 6 years old. Otherwise they are lost for the rest of their life.

That is the last thing I would like to say to you: Much of what you are talking about in these cuts here that are being pressed at Federal levels, and we are facing the same kinds of things at the State level, are not things that can be recovered at some point later on.

The thousands of people we have in our section that need retraining programs. You talk about this budget and it cuts back funds for short-term retraining for adults. We have got a lot of those people in our State who have been out of work long enough that they no longer show in our unemployment percentages. They do not draw unemployment any more. And when you say we have got 9 percent unemployment, they are not part of that 9 percent figure.

Our actual number of people who are not working is considerably higher than that. And much of that is because of the failure to have retraining or new training money.

Thank you, Mr. Chairman.

Chairman **Perkins**. Thank you for a good statement.

Mr. Bill Johnson, director of communications, West Virginia Education Association.

STATEMENT OF BILL JOHNSON, DIRECTOR OF COMMUNICATIONS, WEST VIRGINIA EDUCATION ASSOCIATION

Mr. **Johnson**. Thank you, Chairman Perkins.

My organization, the West Virginia Education Association, has adopted a far-reaching and wide open theme, we think, and it is: Somebody has to care. In recent years, the West Virginia Education Association has become the social conscience of West Virginia. With the assistance of a number of other people-oriented organizations, we have been successful in keeping our State from falling into the traps of many other States.

For example, the 1980 elections demonstrated our voters' commitment to progress in the programs that are important to make our lives comfortable and fruitful. They elected a legislative leadership that is dedicated to improvement, not retrenchment, in Government services to the State's people.

The 1980 election also demonstrated our confidence, our State's confidence, in the Federal Government's role in participating in those services.

Governor Rockefeller has indicated, has identified four vital areas in which our State must concentrate its efforts if we are to progress through the 1980's. Those four areas are development of coal, roads, jobs, and, we think most importantly, education. We fear that the signals that are coming from the Nation's capital, though, indicate that we can expect little or no help from the Federal Government in developing those areas in which we intend.

I am here today primarily to address one of those areas, education. But in order to do so, I think I need to mention those other three areas.

First, our interstates and our Appalachian corridors are not complete. The elimination of the Appalachian Regional Commission and particularly its road funds are going to hurt our efforts to develop the transportation system that both our people and our industry desperately need.

Elimination of coal research and development funds, programs like the SRC-2 plant in Morgantown, will impede our State's efforts to get miners back to work and to deliver coal to the energy markets of this country and the world.

Elimination of the Economic Development Authority will make it much more difficult for us to expand the industrial plants that our State desperately needs. Its elimination certainly will hinder our efforts to increase the number of jobs and to reduce the 9-plus percent unemployment rate under which we suffer.

Now, before I specifically address what we understand to be the intended reductions in Federal education funds, I want to tell you a little bit about our State's historic and current efforts in education.

When it was first suggested that we come here today, frankly, we hesitated because we did not think we could tell you anything that you would not hear from all these other folks. But upon a little bit of reflection, we changed our minds.

When we in West Virginia look for Federal assistance, we are certainly not looking for a handout. West Virginia has a long proud history of commitment especially to education. We led the Nation in guaranteeing a thorough and efficient education for all children. That provision was incorporated in our State's constitution in 1863.

The issue of free public education for all children was a major factor in our separation from Virginia back then. At the time there was little concern in the populated and rich eastern counties to provide public funds for education for poor white and black children in the mountains.

Since our separation from Virginia, our State has made significant strides in meeting that thorough and efficient doctrine, but we have not gotten there yet. Because of a property tax limitation amendment enacted during the Great Depression, our State became one of the first in the Nation to develop a comprehensive formula for State support of schools. And during the 1980–81 school year, our State government is providing a full 62 percent of all funds for elementary and secondary education.

Our school systems have virtually no flexibility in procuring additional funds from property taxes, and our State is making a near-supreme effort to find the funds necessary.

To emphasize the point, Delegate Yanni here will be getting very shortly in the House a bill passed by the State Senate yesterday that raises the sales tax in West Virginia from 3 cents on the dollar to 5 cents. That is going to generate another $105 million in West Virginia, and when we add that to the meager $90 million in growth we expect, we are going to have only $200 million throughout the whole State to meet the inflation problems that we face. That revenue is going to go to a minimal salary increase for public employees, to a slight increase in library funding, I am happy to say, and to a reduced road maintenance program.

Our citizens likely will be considering some time soon in the future, or some time soon, an authorization for the State to go into debt to secure road building funds. Our State is making a valiant effort to move forward, not backward.

But then comes the news from Washington: No more Economic Development Authority, no more Appalachian Regional Commission, no more revenue-sharing funds, a one-third to 45-percent cut in school nutrition funds, a 25-percent cut in other school programs.

Because of our State's already major commitment to its funds in education, because of our county school boards' inability to increase local funds for education, the intended Federal cuts in education will disproportionately hinder education in West Virginia. We simply cannot react. We simply cannot fill the voids that those reductions are going to create.

I want to first address the proposed reductions in the school nutrition program. During the current year, West Virginia students receive about $29 million in Federal assistance. From what we have heard in recent days, it appears as though President Reagan is intent upon taking $10 million worth of food out of their mouths.

Our Nation began its child nutrition program in 1945 after the draft boards who were supplying healthy young men to run our tanks and war machines found that a large number of them were undernourished.

The President apparently intends to take billions of dollars from important social programs and sink them into a war effort or a war preparedness effort. But foolish reductions in the child nutrition program might result in the same problems we found back in 1945.

This year over 235,000 students in West Virginia benefit from our school lunch program: 94,000 of those pay the full cost for the lunches, 29,000 pay a reduced price, and 112,000 of those students receive free lunches.

Our understanding of the impact of the Reagan cuts in the child nutrition program indicates that fewer children will be eligible for the reduced-price lunches. This year the cost of those reduced-price lunches is about 20 cents each. Next year, when the Federal funds are reduced by $10 million in our State, that cost is going to raise to about 60 cents each.

The growing number of students who will have to pay the full cost of meals will not face the 50 or 60 cent cost per meal they have now. They will have to pay a dollar of $1.25 for those meals.

What is going to happen to the school lunch program is that few students are going to be able to pay the reduced price or the full price, and we are simply going to lose programs. It is quite evident that hundreds, if not thousands, of school lunch employees in our State are going to lose their job and they are going to join the long lines at the unemployment office.

Now for the other intended cuts in education. The best information that we have been able to secure indicates that we can expect an overall cut of about 25 percent in the other Federal funds to the State. That computes to $25 million in West Virginia.

Already, school boards are putting title I special education teachers on notice that they may not have a job next year. Already, school systems are planning to combine classes to make up for the shortfall.

Simply put, the intended cuts by President Reagan, if they are approved by Congress, will plunge education in West Virginia into a major crisis. People are already asking whose school will close, whose school lunch program will be dismantled, whose child will be crammed into an already overloaded classroom, and whose job will be lost.

Congressman, I am here today to relate to you the rippling effects of the administration's intended cuts and the effect they are going to have on West Virginia. We are a proud State. We have bucked the alleged national conservative trend. We intend not to retrench, but to progress. But we have little reaction room with the Federal cuts.

As a final note, I want to express a fear. I personally fear and my organization fears for the very existence of public education. Our State has a long history of striving to provide free public education for all children regardless of their social, racial, financial, or religious background.

But what we see in these proposed cuts in Federal assistance to education and what we see in the upcoming encouragement to parents to remove their students from public schools is a major assault on the American and, yes, the mountaineer principle of free public education for all children. We encourage Congress to be farsighted and resist such assaults.

And we encourage you gentlemen and your colleagues to provide similar opportunities as what you are doing here today throughout this country, so that people like us, who are truly concerned about the preservation of our free society, can address these proposals, which can seriously be considered as the rape of the free public school system.

Chairman PERKINS. Let me thank the entire panel for some excellent testimony. But I am wondering how President Reagan can revive this economy, as he keeps talking about, if we are going to go through with these proposals: A 25-percent cut in elementary-secondary education, a 25-percent cut in vocational education, a 43-percent cut in the school lunch program.

I would like for all of you gentlemen to comment on these cutbacks and their relationship to reviving the economy, as many people in Washington are talking about. I will start at the bottom this time and go up.

Mr. John Hall, do you want to make a comment on that?

Mr. **HALL**. Yes, I would. I do not understand cutting training program funds at a time when you have got a large block of unemployed people and wanting to build new types of industries and move our economy back into a positive position.

That is thinking that is totally beyond my understanding. They do not fit. And yet that is exactly one of the things that happens in those cuts.

I have also heard this said a number of times in the last few weeks, that people are going to have to hurt until we get things turned around. When you hurt the education of children, it is not a temporary hurt, and it does not recover as the economy recovers. And if it is long enough and serious enough, it lasts them all their life. I think if we are going to hurt some people, we ought to pick some people who can recover as the economy does.

Chairman **PERKINS**. That is a good statement.

Go ahead, Byrl. We will just skip around and then we will come back over to the right.

Dr. **SHOEMAKER**. It seems that the future of a nation does not rest only with cuts. It rests with the increased productivity. What we have enjoyed in this Nation came as a result of increased productivity, not on the basis of cutting educational bases.

And as I indicate in my testimony, dealing directly with industry and business in the last 6 or 7 months, the future of the change and reindustrialization of business and industry rests with trained people. Therefore, how do you increase your productivity if you deny the approach of training the people needed by those industries that you expect to do the reindustrialization and increase productivity?

Mr. **KITCHEN**. Since I operate a small business which suffered through this last year, I realize that in trying to survive as a small business you must be efficient with the people you have and with the resources and capital that you have invested. And if you do not have those resources of trained people and capital, you will not survive.

And how in the world can we survive against foreign competition when you cut off the funding to teach trained people that would in effect be running these companies in the future? That is naive and incorrect. I think he made the decision too quickly.

Chairman **PERKINS**. Go ahead, Mr. Gehr.

Mr. **GEHR**. I would rather put the programs, as far as cuts are concerned, I would rather spend the money on the programs, because if we do not we are going to put them in some other programs, such as prison life and these type of things if we do not have the right kind of programs.

I think Congress and the President especially has a very good way of saying it, that they are going to pass down the programs to our local governments and let them serve the purpose. You cannot do that. I think you have to take the ball in your hand and you run with it and do the jobs and progress with the programs like we have.

I think these programs that we had in here have been setting very well and certainly it is a type of program that I do not think we can just take a slab all over the map at and try to correct all at once. You know, I think that there are some wastes in certain programs, but the biggest majority of them are very well established, due to you.

Chairman PERKINS. Mr. Johnson?

Mr. JOHNSON. It sort of reminds of the Sunoco commercial where the man says: "You will pay me now or you will pay me later", and later it is going to be a lot more expensive.

I do not think I can add anything more to what has been said about vocational education. I think it is ridiculous to think that you can improve the economy and cut vocational education.

I would like to address, if I could, Congressman Kildee's question that he has asked other folks about ability to react to proposed cuts on the local level. West Virginia has no reaction room, especially when you consider the other cuts, Appalachian Regional Commission and Economic Development and all of those other cuts that are coming. You know, we have got one pie over there and that pie shrinks each time those cuts come. And, especially, when the education cuts come, there is just no room to react.

Chairman PERKINS. Go ahead.

Mr. GROVES. Congressman Perkins, sometimes I sit and wonder. I have always been taught and told that the future of our Nation depends on the youth of today. And if we start cutting funds for schooling today, sometimes I wonder about it.

I come from a highly industrialized area, the northern panhandle of West Virginia. I am 57 years old and I cannot remember, other than the Depression, when our unemployment rate was so low. We have approximately a 22-percent unemployment rate in one area in Marshall County. We lost the Marx toy plant, which was a big business. We lost the U.S. stamping works. We lost, shut down two coal mines because of the high sulfur conditions.

How we can stand back and say that the counties and the State level have to support their school systems, which I believe we have one of the better school systems in the country, I do believe that and I know that, I do not know. And that is the reason I say that we beg you to give us all the support you can, because we need it.

Thank you.

Chairman PERKINS. Go ahead.

Mr. NAPIER. Right now at the local level we are looking at cuts from the Federal Government, from our State legislature, from our local school boards. We really do not know exactly what we are going to be able to offer next year.

That is a real dilemma, because we have advisory committees we work with in the community. They tell us what the needs are, and then to be able to sit with those folks and not be able to say, yes, we can help, that's really a difficult situation.

I have heard as long as I can remember that money spent on education is always an investment. And I think it is very, well, I better not say what I was going to say. I better keep it clean.

I think we need to invest in education because it is the future of tomorrow. Our young people are our most treasured possessions.

Chairman **PERKINS**. Go ahead.

Mr. **DAVIS**. A 25-percent reduction will actually mean that we will have to discontinue programs where we should be expanding them. I am reminded right as I sit here now of two other programs that we have going now in which the waiting list is over 6 months long.

Instead of trying to add additional other programs to take those students who need it, we will have to probably cut down on the number of them that we have if we do keep them.

I can also visualize funds coming, reduced funds in a block grant, and I know that we in vocational education will not see them. I am sure local boards of education and superintendents groups and principals' groups are in favor, perhaps, of a block grant approach. But if you are program people you do not. Because they are going to have some trouble. I think they will pick and choose where it would go.

So I think it would be very detrimental to the revitalization of industry in this Nation.

Chairman **PERKINS**. Mr. Kildee—excuse me. Mr. Hawkins first.

Mr. **HAWKINS**. That is OK. I yield to Mr. Kildee.

Mr. **KILDEE**. Thank you for yielding.

I am just going to make a statement. I think that we are going to have some real difficulties with the Budget Committee. We are fortunate in the Education and Labor Committee to have a chairman like Mr. Perkins who recognizes that these cuts are unconscionable, and who is willing to lead this fight. We will be digging in our heels, probably next Wednesday, and sending something to the Budget Committee to show our position.

We have a good committee, but the pressure is on, and I think you have to get out to your constituents, to your UAW members, your NEA members, the various people that you represent, and tell them that this is not just a passing threat, but that this could really reverse the trend for education and the Federal commitment to education in this country.

I think we are in a battle that is going to affect the future of this country for the rest of this century. If we lose the battle, we are going to lose a great deal.

As I said to other witnesses, my mail is running 10 to 1 in support of the President. I think we have to get the message out about the effects these cuts will have, and let people know before the fact rather than after the fact.

Our people will know the effects of these cuts when the nutrition programs go down. They will know what they are when the waiting list for vocational education goes down, or when certain programs are dropped. They will know then, but it will be too late.

We have got to get that message out. The people here at this table are committed to these programs. Mr. Perkins built them and we are not going to have them dismantled. But we represent, those who are here today, four Members of Congress on one of the, I think, more people-oriented committees.

There are others that have to be reached. And get that word out, because we need their help.

You have done half your job, and you have done it very well, when you come here to give us the ammunition we need. Now you have to spread that around to the other Members of Congress.

Thank you, Mr. Chairman.

Chairman PERKINS. Go ahead, Mr. Hawkins.

Mr. HAWKINS. I was just going to add to what Mr. Kildee has said, Mr. Chairman, and that is to indicate that as I have been in, I suppose the last week, hearings that you called by this committee and other subcommittees under your jurisdiction, that we have listened to, I am sure, at least 200 or 300 persons.

And I think out of that group there were maybe three, not over that, who defended the cuts. And they were very sad trying to do it. When they were scrutinized, they had no explanation to offer.

With those few exceptions, we have listened to almost 300 individual business people, labor people, educators, civil rights people and so forth, and they all said the same thing, that the cuts in the various fields that we have had jurisdiction of, education, employment, CETA, Head Start, child care centers, health, food programs, and so forth, are very destructive.

I think that all of us sitting around here know good and well that, and I think it was expressed by one of the witnesses. I believe you, Mr. Davis, might have said it, that what we should be doing is talking about expansion of a program of this nature, rather than merely reacting to cuts.

If the program is such as the witnesses have indicated, then it is obvious that the program should be expanded. This would be the way to limit inflation, this would be the way to reduce unemployment, this would be the way to balance the budget. It is pretty obvious that that evidence is obvious to all of us.

And yet, here we are, with apologies to ourselves in this instance, merely discussing budget cuts, and throughout this country the same thing is going on, knowing full well what the effect is going to be on our children, what the effect is going to be on that pregnant mother in the prenatal stage, knowing full well what the effect is going to be on parents who are trying to make ends meet to keep the family together, and all of these things, knowing what the effect will be if we allow these policies to continue without any justification whatsoever.

I just think it is a sad commentary that we are placed in that position, and we are so brainwashed that, as leaders of organizations, as public officials representing large constituencies, we are placed in the position of apologizing for that which we know to be wrong.

I just think that it is something that we have got to look at ourselves and we have got to begin to reverse, before it is too late. The help that we will delay to these individuals who are going to be the victims of these policies will tend to last forever. And some of these individuals are going to go to their grave marked by these deficiencies.

And yet, in our conscience, we have not spoken out as much as we should have. And that is why I am very pleased, Mr. Chairman, to be a member of your committee and to be with you today, because among the few men in Congress, you are doing this job. You are providing the leadership to this committee, and you have brought together these people who I think have really touched on what America is all about.

Chairman PERKINS. Let me thank you.

This school lunch program took us many, many years to build up. And it can be chopped down mighty quick. And when we chop it down and let these prices accelerate to $1.25 and $1.50 a lunch, we are going to lose. We all know that.

And as a result, the truly needy that President Reagan speaks about will likewise suffer, because the regular lunch lends the stability to the free and reduced price lunch. There were witnesses here this morning who stated that only 1 percent of the children in their school received free lunches down there in Greenup County, or 2 and 3 percent. They will never operate a lunchroom for those 2 and 3 percent.

So it is something that we should all think about. I hope we are not foolish enough in the Congress to let them knock the props out from under the school lunch program, remove all the section 4 payments for the regular program and all the commodities payments for the regular program.

These proposals are not going to curb inflation one iota. And if we do not somehow turn this whole situation around, they are going to vitally affect this school lunch program.

Let me thank all you gentlemen on this panel. You have been most helpful.

Byrl Shoemaker helped us enact the 1963 act on vocational education, and we are going to do our best to try to preserve the program.

Panel No. 5 Mrs. Nancy Cantmill, President, West Virginia PTA; David A. Harcum, superintendent, Green Hills, Ohio, Forest Path City Schools; Mr. Robert H. Koon, director, Division of School Food Service; Mr. Wade Leech, Wood County, W. Va.; Mrs. Mary Pullen, Kanawha County, W. Va.; Mr. Joseph Morrison, Parkersburg; representatives from the Department of Home Economics, Marshall University, Huntington: Ms. Bell, Wood County School System, Parkersburg; Dallas Blackenship from Huntington; Ms. Woodruff, Parent in Huntington; Mrs. Nunna Hensley of West Virginia Food Law Project.

[Discussion off the record.]

Chairman PERKINS. Wait just a minute. I think we have got some conflict here.

Is the principal of the Paul Blazer High School here? Is there an instructor of the class that is here?

We do not want to let these youngsters get left off the bus. They have a bus schedule; do they?

[Discussion off the record.]

Chairman PERKINS. Let me welcome you ladies and gentlemen to Paul Blazer High School. This school was named after an individual, Paul Blazer, who, to my way of thinking was a genius. I know he came to Washington when I did not represent the District, back in 1950. John R. Stillman was head of the National Labor Relations down there in the White House. And he was proposing a raise for his employees and they had objected to it.

I was on the Labor Committee and I called Mr. Stillman, sent Mr. Blazer down there that day and he got it all worked out.

On so many occasions after I came to represent the district, he did so much work on this river. And he had a vision about the community airport between Ashland and Huntington, and Charleston years ago. In the early sixties he commenced to work on it. The objections of Senator Randolph and others in the U.S. Senate killed off that Midway Airport, which affected industrial development in this area tremendously in my judgment.

We have the greatest feeding program in the world in this school lunch program. There is none other like it. And the President has proposed to cut it back by 43 percent. In order to do that he proposes to make permanent the $500 million we cut back a year ago, which I had to agree to in the reconciliation process between the House and the Senate. The President also then proposes to take all the commodities away from the regular program and take all the reimbursement away from the regular program.

And then he proposes to increase the price for the reduced lunch program and leave the free alone, which in reality will not leave you much of a program at all. And as for those who will still participate in the program you will have left, they will have to pay a minimum of $1.25, by next October 1.

And I would like for you to tell us what you are presently paying, how you view the school lunch program, and how you feel this cutback will affect you.

I will start with the gentleman there and then go all the way across the panel.

We have got a panel of students. Mr. Riedel, you are the principal and I want to thank you for your kindness here today. You have been most helpful. All of us feel good in coming to this school for hearings.

It has been the first time I have been here in 5 or 6 years, but I used to come here. I came here in the sixties for hearings. I came here twice in the seventies. And if it is the Lord's will and the people's will, I am not going to put it off so long the next time, because I don't want to lose track of young people. I am getting a little older all of the time myself.

Go ahead, Mr. Riedel.

Mr. Riedel. Congressman Perkins, my name is Glenn Riedel. We are most happy that these congressional hearings can be held at Paul Blazer High School and we appreciate your coming here. We feel it is an honor and a pleasure. Our young people who have helped you today distribute the pamphlets, coffee and drinks, and things like this are Close-Up students. They have either been, are going or will go to Close-Up in Washington, either this April or in the near future.

Congressman Perkins, to sidetrack from the school lunch program just a second, I would like to personally thank you for your tremendous assistance to the development of the tristate area Close-Up program. Before I continue on the school lunch program, the Ashland Tom Cats take pride in doing things first class, and we have a little thing for you as a little symbol of our appreciation to Carl Perkins. We have what I consider a little Tom Cat insignia, a clock, and I would like for, is Ronnie Trabandt here.

Mr. Ronnie Trabandt is the sort of coordinator of Close-Up for Paul Blazer High School, and we have three teachers that sort of go hand in hand. And I would like for Mr. Trabandt to present this to Congressman Perkins. [Applause.]

Chairman **Perkins**. Let me state that it is a great pleasure to receive this and my family will enjoy this. They all know what it is. It is really beautiful and I appreciate it. I thank all of you. [Applause.]

Mr. **Riedel**. Congressman Perkins, I hope that when our Close-Up students arrive in Washington in April, that they will see that in your office. [Laughter.]

Mr. **Riedel**. Not putting pressure on you or anything like that. [Laughter.]

Chairman **Perkins**. I will put it there.

Mr. **Riedel**. Concerning the school lunch program at the Paul Blazer High School and the Ashland Independent School System, I am not prepared to give facts and figures. I know that if the school lunch program is cut 40 percent at this high school, that it cannot exist as it does now.

Congressmen and Ms. Wyman, I think you have an indication of our lunch program today. This is something, the hot lunch or the grade A lunch. We have this every day, the same type. We have not done anything other than put speakers here for your presentation today, anything any different.

We have the sandwich line, the french fries, hot dogs, hamburgers, and things like this on one side, and the hot plate lunch on the other.

But if this price goes to $1.25 or higher, and I think this is a very low estimate, Congressman Perkins, at $1.25 for a good lunch program to exist, we feel that it will cut many, many things. Starting off, it will cut the quality of food that we must offer to our students.

Second, it will cut the people working in our cafeterias. When this is cut, then naturally two things happen: The quality goes down, the atmosphere goes down. You do not have people wanting to come and eat in the cafeteria.

It is difficult now with kids wanting to brown bag and things like this. We must compete with candy bars constantly. We must compete with all snack programs, not here at the high school as such, but we have to compete with other areas of food service.

So in order for us to have a good lunchroom program, we must have the subsidy, the money, and also the commodities for us to offer in the program. If this is done away with, then I feel that our cafeteria will then start serving 100 to 150, where we serve now 700 to 750, days we have pizza 800. [Laughter.]

So you know, we are deeply distraught about being cut. I know that everybody is talking about cutting. But in the food lunch program and to serve young people, not just the free and reduced, we need that also. We have approximately 150 students either on free or reduced. That is 150 kids that will not eat at $1.25.

And we may have some other students that will not eat at $1.25 or $1.50. So it is very, very important that we continue to get the subsidy on money and also the commodity supplies, Mr. Perkins.

So like I say, I am not involved in the cafeteria daily operation. But I know what our kids eat, what opportunity they have to eat, and I would hate to see that taken away.

Chairman **Perkins**. Thank you very much. You introduce your gentlemen. Introduce yourselves, whatever way you want to do it.

Mr. **Riedel**. All right. This is Porter Stein. He is president of Young Historians. He is a senior here at Paul Blazer High School.

Chairman **Perkins**. You go ahead and tell us what you do, how you feel about this proposed cut.

Mr. **Stein**. Well, I eat in the lunchroom every day or almost every day. And at 70 cents, well, that is what we are paying right now, it is almost cheaper or it is cheaper to brown bag your lunch every day. But for convenience purposes and because the food is fairly good, I do eat in the lunchroom.

But if it would go up to about $1.25 or higher, it would be much easier to do it, to brown bag your lunch or bring it to school. I disagree with the cut on the education and food lunch program.

Chairman **Perkins**. Thank you very much. Where you are presently paying 70 cents, it will more likely go to $1.35.

Go ahead, the next gentleman.

Mr. **Pitsenberger**. I am Dan Pitsenberger and I am a senior. And like Porter said, you know, at 70 cents it is a good price and it is a lot more convenient, you know, to buy your lunch than to carry it with you all day. And the food, it is good food. It is not like grandma's home cooking, but it is a well balanced meal and everything.

And if the price goes up any higher than what it is, you will find a lot more people brown bagging it or a lot more people trying to get on the reduced plan.

Chairman **Perkins**. You know, the lunch I ate today was just what you ate. I had to send a lot of it back because there was so much, but it was better than what I eat at home. [Laughter.] Go ahead.

Mr. **Hall**. I am Randy Hall and I am a senior. And I think the lunch program here has to stay the way it is, because they do serve a well balanced meal. I usually bring my lunch to school, but every once in a while I do eat my lunch here, and it is, you know, good food.

And on the reduced lunches, I think that is an important thing in the schools, because you know, not everybody has money to throw around or anything like that. And I think if the lunch program was cut, it would affect the students a lot. There would be a lot more people bringing their lunches and not eating here at school.

Chairman **Perkins**. Next lady. Pull the mike up and talk right into the mike.

Ms. **Woods**. My name is Angie Woods and I am a senior here at Blazer.

Our lunch program here, I feel like it is a good program. We have a variety of choices. We have a sandwich line and a hot plate line, and you can get a salad if you are like me and you go on a diet every once in a while.

But the cut that Reagan has proposed, I can understand why he is doing it. But it is really going to hurt the school system, especially those people who are less fortunate than I am, that cannot afford a lunch at school. And I think that is the bad point of the whole thing.

Chairman **Perkins**. You feel it is better for your group to receive these commodities than for the commodities to go all over the world and no American schoolchildren get them, do you not?

Ms. **Woods**. That is true.

Chairman **Perkins**. Go ahead.

Ms. **Hill**. My name is Sharon Hill and I am a senior here at Blazer.

And like Angie, I can see how Reagan has to cut the budget. But I think it is sad that he would have to take so much away from the school lunch program, because if it were raised to $1.25 or $1.35 a lot more people would be bringing their lunches, and you would also be discriminating against people who cannot afford that. A lot of people cannot afford 70 cents and they would have an awful lot of trouble supporting $1.35.

Chairman **Perkins**. The lady on the end.

Ms. **Ferreby**. My name is Carolyn Ferreby and I am a senior at Blazer.

And when I came here this morning, basically I was all for the budget cuts. But after listening to everyone's testimony today, I can see that this lunch program is a very good program and this is one area that I do feel cannot be cut, because from listening to everyone I realize that many underprivileged students need these nutritional meals. And I also realize that if the cuts were made many students would not buy their lunch.

Chairman **Perkins**. The big job that we have to do is to sell the Congress. Dave Stockman is a fine individual who we all served with for 4 years. He took that pencil and carried out orders. And he is a good mathematician. But he never ate in this lunchroom in his lifetime.

Mr. Hawkins, any questions?

Mr. **Hawkins**. Only that I think the students are to be commended for their very excellent remarks. I think they were forthright and from the heart. I think that is a wonderful reflection on your school, Mr. Riedel.

Could I just make one brief statement in reference to the awards, which I think we are very proud that you have done this honor to the Chairman of the committee. The only fault I find with it, it only has 12 hours on it, and a Chairman who got me up at 5:30 this morning, I do not think that it is large enough to accommodate all of the schedule that this committee keeps.

Chairman **Perkins**. Mr. Kildee.

Mr. **Kildee**. Thank you, Mr. Chairman.

I tell people that in real life I was a schoolteacher. I taught high school at 10th, 11th, and 12th grade for 10 years of my life. It is always good to be back with students.

Just a couple questions. How many of you have brothers and sisters in school who also participate in a lunch program.

[A show of hands.]

I think that very often we think in terms of individual students, but families are usually more than just one child. And I think, with the Chairman, that Mr. Stockman before making his budget cuts should have visited some of the programs that will be affected.

So just indicate to your parents that lunch prices will go up probably to at least $1.25. When you multiply that by a number of children, the number of days you have your lunch, that is a significant part of the family's income.

I am going to ask you just one other question to see how you are structured here. Do you operate by lunch tickets or do you bring your money each day and pay or a daily basis?

Are you committed to the program lunch if you buy a lunch ticket or can you make that choice each day?

Mr. **Riedel**. No, it is a choice.

Mr. **Kildee**. A choice each day. So one day you can do one.

Mr. **Riedel**. Right.

Mr. **Kildee**. Or do the other.

Mr. **Riedel**. Right.

Mr. **Kildee**. Just a question to satisfy my curiosity from the times I taught school, the times I carried my lunch. For those who carry brown bag lunches, what is the typical fare in that brown bag today? Anyone have any idea what it is? Is it peanut butter and jelly yet?

Chairman **Perkins**. It is not peanut butter.

Mr. **Kildee**. I realize that peanut butter is expensive right now. Does the lunch vary quite a bit from student to student, or is there kind of a standard fare?

Mr. **Riedel**. Randy, you answer that.

Mr. **Hall**. I think it varies a lot, you know, what people bring. Some people like different things. Some people bring a lot of candy and some people bring fruit, you know, good things like that.

Mr. **Kildee**. There is a lot of candy coming in the brown bags?

Mr. **Hall**. Yes, some people do.

Mr. **Kildee**. Do you think that the chance, in your own judgment, of getting a nourishing meal for the average student would be better if they were to avail themselves of the cafeteria each day?

Mr. **Hall**. Yeah, a lot better.

Mr. **Kildee**. Thank you very much.

Thank you, Mr. Chairman.

Chairman **Perkins**. Thank you. And let me compliment the panel.

And one additional question on the other subject matter we were touching on here today. That is the 25-percent cutback in vocational education from about $800 million nationwide to $600 million. I do not know that any of you ladies and gentlemen will ever want to go to a technical school or to the area vocational school.

But if you did I would certainly not want to see any of you put on the waiting list.

I have driven through Appalachia perhaps as much or more so than any traveling salesmen in the whole Appalachian area. And I think about these things. So many people do not think about the repercussions that follow.

And this program has always been very cost effective. The gentleman who testified here today, Byrl Shoemaker from Ohio, who helped us put this program through the Congress in 1963, can testify to that. You can kill off a program if you are not aware of all the repercussions.

This committee realizes the consequences of these cuts, and we are trying at least to not let the most radical cuts go through. If we have to take some, let them be reasonable cuts.

It is a great pleasure for me to welcome you here and be with you. And I want to come back and visit your great institution here.

And Mr. Riedel, I will not mispronounce your name any more. [Laughter.]

Chairman PERKINS. Thank you all. We appreciate your being with us on the panel here today. Good luck to you.

Mr. RIEDEL. Thank you.

Chairman PERKINS. Our next panel will come around. And do not anybody leave who wants to testify. We will hear you all today. So do not anybody leave. If we get you mixed up somewhere along the line, we will hear all of you.

Is there anyone else that wants to testify with this panel? We will make sure that everybody has the opportunity.

Mrs. Nancy Cantmill, president of the West Virginia PTA.

VOICE. She could not make it because of a car problem. She canceled out.

Chairman PERKINS. I understand she had a car problem and canceled out today.

Our next witness is Mr. David A. Harcum, superintendent of Green Hills, Forest Path City School, Ohio. You go ahead. Without objection, all your prepared statements will be inserted in the record and you proceed in any manner you prefer.

Mr. KOON. I am not Mr. Harcum. Mr. Harcum unfortunately had to put some things together this weekend for a something that is going to go out on Tuesday. He thought he had things in the bag, but something came up midweek that created a problem, for which he regrets that he is not able to be with you today.

Chairman PERKINS. Yes.

Go ahead and tell us what you think about this school lunch cutback.

Mr. KOON. OK.

STATEMENT OF ROBERT H. KOON, DIRECTOR, DIVISION OF SCHOOL FOOD SERVICE, OHIO STATE DEPARTMENT OF EDUCATION

Mr. KOON. Mr. Chairman, members of the subcommittee:

I am Robert Koon, director of the Division of School Food Service, Ohio State Department of Education. I thank you for this opportunity to address the committee and identify the impact of the administration's proposed budget cuts in child nutrition programs in Ohio.

The Ohio Department of Education, Division of School Food Service, in agreement with the U.S. Department of Agriculture, administers the school lunch, school breakfast, special milk, child care food, summer food service, food service equipment assistance, and commodity distribution programs in Ohio for public and nonpublic schools and child care agencies and institutions.

Charts 1 and 2 attached to the testimony, which you have there, summarize the extent of these programs in Ohio during the 1979-80 school year and the 1980 fiscal year for the child care and summer programs.

Although all child nutrition programs except the WIC program are administered by the Ohio Department of Education in Ohio, I shall restrict my remarks today to the impact of the proposed cuts mainly to the school programs.

Federal funding enabled Ohio's schools in 1979–80 to provide over 1 million lunches per day to school youth free or at a low cost. This effort was supported by $82.3 million in Federal funds. The child care and summer food service programs provided the same benefits for out-of-school youth with the assistance of $6.2 million in Federal funds for the child care food program and $2 million for the summer food service program.

Although the largest share of Federal funds were utilized to provide free and reduced price meal services, 67 percent of all lunches served were consumed by youth who were not eligible for free and reduced price benefits and supported only by section 4 funds and Government-donated foods.

On the other hand, out of the 195.2 million lunches served during the 1979–80 school year, 27.6 percent and 5.4 percent were consumed by youth eligible for free and reduced price lunches respectively.

Federal funding enabled Ohio to carry out the original 1940's intent of the National School Lunch Act to provide adequate nutrition for all youth. Although the special assistance funding, section 11, which became available in the late 1960's and 1970's, has enabled the National School Lunch Act to extent nutritional adequacy to those children who perhaps would not otherwise have that access, it is significant to note that over two-thirds of the beneficiaries in Ohio are well served by the original intent of the legislation which you brought about.

The administration's proposed budget cuts would eliminate Federal support for 67 percent of the lunches served in the State. This proposed cut would have reduced Federal funds to Ohio by $22.8 million in 1979–80.

One might conjecture that this cut would cause no problem. However, the lower half of chart 1 shows that 80 percent of the school districts in the State have less than 40 percent of the meals served free and 75 percent of all the lunches that are served in Ohio. For these school districts, the paying child provides the volume of sales necessary to maintain a cost-efficient food service operation.

The elimination of section 4 funding for these school districts would necessitate additional income from other than Federal funds. School districts in Ohio are experiencing continued cost problems, compounded by State budget problems which have already required a reduction of State funds to schools under the State school aid funding formula.

Consequently, school districts are expecting the school food service operation to cover all food service costs without subsidy from school general funds. With the State's shortfall of funds, it is not likely that additional State funds will be available for local school food services. Reading the newspapers, you know that Ohio has had severe budget constraints, had to increase the sales tax an extra 1 percent for a 6-month period to try to eliminate the shortfall in the current fiscal year ending June 1, correction, July 1.

This means either the paid lunch price will have to be increased or food service costs proportionately reduced to make up for the loss of income the administration's proposed budget cuts would produce.

School districts are exercising every cost-reduction technique possible. But the increased cost of food and continued pressure to increase employee wages to keep pace with inflation necessitate a price increase to the paying child.

Any time prices go up, people reassess priorities before making a purchase. Experience has shown that an increase in lunch price precipitates a corresponding decrease in lunches sold.

Food service is a labor and fixed cost-intensive operation. As the number of lunches sold decreases, the cost per lunch increases. Reduction in labor cost is only possible over time through attrition because school food service employees are under contract in most instances.

School districts are currently or have already established the budget for the 1981-82 school year. A reduction in Federal funding for paid lunches would necessitate an increase in price. Elimination in Federal funding for paid lunches would necessitate a minimum price increase of at least 20 cents, taking into consideration only losing the 16 cent subsidy, not to mention the loss of commodities, which the administration also proposes.

In many schools a greater increase in the paid price would be necessary to make up for the lost Federal funds for paid lunches and the corresponding decrease in the number of lunches sold causing the cost per meal to be increased. The removal of the Government donated foods entitlement for paid meals would compound this cost-income pressure.

For the 80 percent of the school districts discussed above, these cuts would remove the incentive for continued participation in the U.S. Department of Agriculture funded lunch program and has the grave potential of eliminating the availability of free lunches for needy youth.

Even in school districts with more than 41 percent of the lunches served free, the removal of Federal funding for paid lunches would jeopardize continued cost efficient food service operation because of the necessity of increasing prices and losing the sales of paid lunches which provide the economic base so necessary for food service to cover all food service costs within the available revenue.

The administration's proposed budget cuts would also eliminate food service equipment assistance funds. Ohio schools have initially requested over $3 million per year in Federal funds for equipment purchase. Since nearly all schools in the State have a food service, these requests are for unreserved funds.

Much of the equipment in place in schools has been in place for 20 years and more, and replacement is necessary for continued operation. Needless to say, food service becomes more labor intense without appropriate equipment and correspondingly more costly.

The nutrition education and training program funds have enabled Ohio to significantly increase the nutrition awareness of youth. Wilma Wood, who is a nutrition program director in Ohio, will be testifying in Lexington and providing you with a perspective of specific improvements that she has been able to accomplish because of these funds.

Elimination of the nutrition education and training program funding would stop the efforts being made in this area before it has had the opportunity to fully show what can be done.

The administration's proposed budget would eliminate the eligibility of for-profit child care center's participation in child care food program funding made possible by Public Law 96-499. Such elimination appears consistent with the administration's proposal to eliminate funding for meals consumed by youth from families who can afford to pay the full price for meals.

Word is out that there has been talk about reinstating the for-profit child care centers as being eligible to receive child care food program funds. It is incomprehensible to me how someone can refuse to pay for meals at for-profit child care centers, which are so run as to make a profit, whereas many of the youngsters who are paying a full price for meals are very nearly being priced out of the market even at the present price.

In summary, the administration's proposed budget cuts for child nutrition programs would, at the least, limit the ability of Ohio schools to continue the availability of lunch and breakfast programs. In 80 percent of the school districts, the incentive for continued participation in the national school lunch program would be entirely removed.

Federal subsidy and Government donated food entitlement for free meals only would most likely not provide an adequate economic base for continued school food service operation and would severely jeopardize or in many cases eliminate the availability of even free meals to needy children.

Chart three, attached, shows that if the proposed budget cuts had been in effect for the 1979-80 school year, Ohio would have received 29.18 percent less funds and 58.11 percent less Government donated foods, based on the administration's proposals.

The elimination of section 4 funds for paid lunches and proposed reductions for reduced price lunches would correspondingly cut State general revenue matching funds in half. Matching funds in Ohio are all used to assist schools provide free lunches. With no other source of funds available except lunch price increases, the continued availability of even free lunches is dependent on continued Federal funding for paid meals.

There appears to be some feeling that child nutrition programs suffer from inefficiency, fraud, and abuse. While the administration offers an Office of Inspector General report to support such allegations, eliminating Federal funding for paid meals will do nothing to reduce such abuses caused by falsification of data on applications for free and reduced price benefits.

As to inefficiency, I feel certain that members of the committee are well aware that only 1 percent or less of the Federal funds for child nutrition programs is utilized for State administration. The funding provided indeed results in benefits to and for children.

The administration intends to reduce the nondefense budget of $500 billion by $50 billion. This is a 10-percent reduction. The proposed $1.6 billion cut for child nutrition programs, as you have stated before, Congressman Perkins, is 40 percent of a $3.975 billion budget figure.

The need for restraint in Federal expenditures is recognized by the American people and accepted by all of us involved with child nutrition programs. However, the Congress is urged to carefully evaluate the administration's budget proposal to assess if less than a 10-percent cut in some program areas is warranted at the expense of the health and well-being of America's children, the original purpose and intent of the National School Lunch Act as it was originated.

Mr. Chairman, members of the committee, people of Ohio, and especially the school youth who benefit daily appreciate the effort and the support you and your colleagues have given to child nutrition programs over the years. We urge you to continue your efforts and pledge our support.

Again, thank you for this opportunity to share our feelings. If the Ohio Department of Education can be of any help to you or your committee, please call on us.

Chairman PERKINS. Thank you very much.

To conserve time, we will hear the entire panel before we interrogate the witnesses.

Our next witness is Mr. Leech.

STATEMENT OF WADE LEECH, DIRECTOR, SCHOOL FOOD SERVICES, WOOD COUNTY, W. VA.

Mr. LEECH. Mr. Chairman, I appreciate the opportunity to appear before this committee today to testify in behalf of the child nutrition and school lunch programs. I wish to express my gratitude for the concern and support of your committee regarding the nutritional needs of school children.

I am testifying today in my capacity as director of school food services for the school board of Wood County, W. Va. Wood County is the second largest school district in West Virginia, with a total school enrollment of appoximately 20,000 students and a countywide average daily participation in the national school lunch program of 64 percent.

In the 1979-80 school year, we served a total of 1,926,131 student meals, of which 428,857 or 22.2 percent were free meals; 107,987 or 5.6 percent were reduced price meals; and 1,389,287 or 72.2 percent were paid meals.

Now, for every 5-cent raise in the price charged the paying child, we have experienced a 6-percent drop in participation. Therefore, with an additional 40 cents it would be necessary to charge the paying student to make up for the proposed cut, we could at least expect a drop of 48 percent in our paid student participation.

Chairman PERKINS. Let me interrupt to say that you are taking the 40 cents literally, the way the Government values the commodities as they purchase them. But the true value is going to be in excess of that.

Mr. LEECH. Very definitely.

Chairman PERKINS. At least 50 to 55.

Mr. LEECH. That is right.

Chairman PERKINS. Go ahead. It is a good statement.

Mr. LEECH. We currently charge 65 cents for elementary and 70 cents for secondary lunches. Under the administration's proposed cut, we would need to charge, I say approximately $1.10 and I have heard here today at least $1.25, and based on what you just said about the commodities it would be more like $1.25.

Thus we would eliminate the majority of the students that pay for their meals. A charge of $1.10 to $1.25 per meal would result in a large number of secondary students leaving the school area at noontime, thus resulting in traffic and community relations problems for the schools.

An alternate plan would be for a county to withdraw from the national school lunch program and to then operate it under a limited a la carte system. However, it may not be nutritionally adequate or financially sound to operate such a program in the small rural schools that serve a limited number of students.

Therefore, many of the children in the smaller schools would be forced to pack a cold lunch, thus depriving them of an opportunity to eat a nutritionally balanced hot meal.

Mr. Chairman, Wood County schools has participated in the national school lunch program since its inception in 1946. If the proposed elimination of funding and commodity assistance for the paying student is allowed to take place, 35 years of serving the nutritional needs of our school children and any inroads in promoting good nutritional habits will be lost.

Thank you very much.

Chairman **PERKINS**. Thank you for a very excellent statement, an excellent statement.

We have next Mrs. Edyth Martin, in place of Mrs. Mary Pullen, director of school food services, Kanawha County. Go ahead. Pull your microphone up just a little closer to you.

STATEMENT OF EDYTH F. MARTIN, DIRECTOR OF SPECIAL PROJECTS, KANAWHA COUNTY SCHOOLS, CHARLESTON, W. VA., ON BEHALF OF MARY PULLEN, DIRECTOR, SCHOOL FOOD SERVICE

Ms. **MARTIN**. Before I begin, I would identify myself. I am director of special projects for communications for Kanawha County schools in Charleston, W. Va. And I am speaking for Mary Pullen, our director of food services in Kanawha County schools.

Mary is not able to speak today, so therefore I am speaking for her. She called me this morning and she squeaked, literally, on the telephone and said, "I have laryngitis." And she has an acute case of laryngitis.

So I am pleased to present her comments today here to you. I cannot think of anything more crushing to one's spirit than to have an opportunity to appear before a congressional committee and develop laryngitis. I think that is a loss that you would have. And I am sorry about Mary, but I am glad about me.

I will present her comments as she has composed them.

It is with great pleasure that I appear at this hearing. I have a lot to say. Many times those of us who carry out programs at the local level are never given an opportunity to speak, so I consider it a great privilege to be here. There are several points that I would like to make.

Kanawha County schools have an enrollment of just over 40,000 students. Of the students in attendance, 74 percent eat in the school cafeterias. During 1979 and 1980, the average daily participation was 26,632 student lunches. Approximately 30 percent of the meals served were free and reduced.

We have 111 lunch programs and 62 breakfast programs in operation at this time. Kanawha County employs 395 full-time and part-time cooks. The labor bill for the school year of 1979-80 was $2,755,786.45. Food costs, including milk, were $3,158,680.40. Supplies were $172,517.34. And equipment, we paid $341,430.27.

The total impact to the community was $6,428,413.46. That is a large commitment to the community.

The income to support these expenditures came from the following sources: children's payments, the Kanawha County Board of Education, the West Virginia Department of Education, and the Federal Government.

Kanawha County makes no distinction between the free, reduced and fully paid student. The board of education has always been strongly committed to feeding the students, all of the students.

Should the administration's proposed budget cuts go into effect, this county would lose $2,283,658.53 in total Federal reimbursements.

A point I would like to make is that the proposed budget reduces Federal funding for child nutrition programs by at least 40 percent. The approximate cut in the nondefense Federal budget is 10 percent. For the child nutrition program it is almost five times that. This does not seem to be a fair across-the-board cut. It is more like general surgery aimed at the jugular vein.

The "truly needy," quote, are supposedly protected in the current proposed budget.

I would like to tell you what could happen in Kanawha County if these proposals go through. Bear in mind that in order to be cost effective a high volume of meals must be considered.

The price of a lunch to the paying children will be the full cost. It is estimated to be somewhere between $1.25 and $1.50. Parents with two or three children cannot afford this. Please remember they are the ones, the so-called middle class, paying the bills for the free and reduced.

Reduced price lunches are projected to be 65 cents. For example, in one school there is a total current participation of 330 lunches; 50 are served free. For 50 meals one cook will be retained. West Virginia cooks work by law 3½ hours or 8 hours a day.

The other 280 meals will not be school meals under the current proposal because the paying students cannot afford them. It will become a situation where free meals will be eaten by the truly needy and the other kids will brown bag it and watch the free kids eat. Facilities for separate lunchrooms are not available.

In another situation, a total of 320 lunches are served. Of this number 288 are free. The remaining 32 meals are reduced and fully paid. Here the situation will be reversed, that is, 32 kids will watch 288 eat.

Neither situation certainly is desirable. Can you imagine what a nightmare that could be with 288 free kids receiving a balanced meal at public expense and 32 kids bringing a lunch from home or simply not eating at all?

Administratively, the school board may quite possibly refuse to help pay cooks' salaries unless all kids are fed. Therefore, the free meals as well as the paid meals will be wiped out and all the children will suffer.

The National School Lunch Act of 1946 was for all children regardless of ability to pay. It is a sad time for our Nation when school feeding deteriorates to a welfare program.

Another point that needs to be considered is the termination of cooks' positions. According to West Virginia State law, all school food services personnel will have a contract for the following year unless notified by April 1. The budget proposal would go into effect in October 1981.

Working within this time frame, Kanawha County Schools could have a labor bill for the next school year of around $3 million. To retain cooks for which no revenue is generated to pay their salaries simply will not be done. This means that 395 working women will be without employment.

Many of these are heads of households and the only support of their families. Several will have to resort to welfare in order to survive. These jobs represent the working poor. It will not be pleasant to terminate the food service staff. This is what the cutting off of section 4 and no commodities can mean to the Kanawha County school system. The truly needy will not be protected.

Federal funds are matched by county and State funds. Without section 4, none of the other funding is available.

Some say block grants are the answer. It is my understanding that these are at least 2 years away and school food service at the moment is not included in the block system. What are schools to do in the interim?

Presently Kanawha County schools are suffering a loss of $658.70 per day of section 4 funds due to last year's cuts. This is already escalating the cost to the paying student.

So far our system is not suffering a loss in participation with the 10-cent increase that was added for the current year. Even with some section 4 funding, prices to the paying student will need to be increased. But we think we can manage and not have to move to $1.25 or $1.50 a tray.

Defense is big right now, as well it should be. But if our young are to be mobilized, they need to be in top physical condition. And school lunches have done this in the past and must continue in the future. What good is a weapon without the physical and mental stamina for survival? The National School Lunch Act was passed because of the large numbers of men turned down for military service due to malnutrition during World War II.

In addition to providing the nutritionally adequate meal, school lunch has served in several other areas. It keeps kids off the street and in a good environment. Merchants tell us that shoplifting decreases. Homeowners in school neighborhoods report much less disruption when kids eat in schools. Perhaps these are small considerations, but I thought they were worth mentioning.

This week while visiting Congressmen on Capitol Hill, I was surprised to learn that they are having a hard time locating in the proposed budget exactly what programs are to be cut and to what extent. West Virginia Congressmen were not aware that the elimination of section 4 funds and commodities for the paying student would cause the lunch program to become another welfare benefit.

We are prepared to do our part to help balance the national budget. A 10-percent cut would require belt tightening, but would not destroy the program.

Chairman **PERKINS**. There is a great educational job yet to be done among us Congressmen.

Ms. **MARTIN**. Ms. Pullen states that I for one would be happy to provide information on where the cuts would hurt the least numbers of children.

Then her last line of the speech really broke me up this morning. She said: "I cannot sit silently during this time of thoughtless consideration for the Nation's kids." Ironically, when she wrote these comments she had no idea that she would be sitting silently.

Thank you for permitting me to speak for Kanawha County, West Virginia's silent coordinator of school food services, Mary Pullen.

Chairman **PERKINS**. Thank you very much. An excellent statement.

Mr. Joseph Morrison, Parkersburg, W. Va. Thank you, Mr. Morrison. Go ahead.

[The prepared statement of Joseph Morrison follows:]

PREPARED STATEMENT OF JOSEPH A. MORRISON, ASSISTANT SUPERINTENDENT, WOOD COUNTY SCHOOL LUNCH PROGRAM, PARKERSBURG, W. VA.

I have recently attended several meetings where the Federal Budget for Child Nutrition was discussed, and from these meetings, it is my understanding that President Reagan and his staff are seeking heavy cuts in this area. I am also aware of a mood which seems to say that the Administration refers to Child Nutrition Programs as Welfare Programs, and that it is necessary for all segments of society to sustain their fair share of across-the-board cuts in Federal spending.

I think one should be reminded of the reason for the establishment of the School Lunch Program in 1946. Having just been through World War II, it was vividly pointed out that close to 50 percent of the armed services inductees could not pass physical examinations because of malnutrition and dental problems. Hence the establishment of the School Lunch Program. In my opinion, the importance of the establishment of this program could be as great a defense factor as purchasing armament. History proves that a healthy society is nore capable of caring for itself including its defense than an unhealthy society. The School Lunch Program was not originally developed to be a welfare program. It was intended to be a program to help the entire society. The probability of the woefully inadequate health status in World War II reoccurring will be significantly increased without continued emphasis on child nutrition.

Secondly, Child Nutrition Programs account for 0.6 percent of the total Federal budget. However, the proposed cuts in Child Nutrition comprise a disproportionate 4.7 percent of the total reduction in Federal spending. Such a drastic cut carries with it tremendous implication for local education agencies. For example the area I represent—Wood County, West Virginia—serves approximately 20,000 students. Of this number, 11,500 receive a daily noon meal. In order to prepare that daily meal, 174 cooks and support personnel are required. At present our best projection is that we may lose 39½¢ per meal through reduction in Federal reimbursement. This could mean a reduction in student participation of 48 percent. In turn such a reduction would make it necessary to reduce the work force by a considerable number. As the participation and the work force decrease, the cost for the total county program will increase. School districts could be forced to eliminate the entire program if the reduction in student participation and work force is high enough and the increase in cost is great enough. Although the School Lunch Program was not originally designed to assist the needy, this important aspect of the program would be eliminated. Also, just a reduction in the labor force would lead to an increase in student participation in free and reduced price lunches, which is the welfare side of the coin.

To add to our problems, we are currently budgeting for the coming year. We must now try to anticipate what is going to be mandated at the Federal level sometime this summer that local school systems must implement by October 1st. Better coordination of such a reduction along with gradually phasing in the cuts would facilitate the local agencies' ability to manage the inevitable repercussions.

Another problem relates directly to the nutritional value of meals being served. In order to remain competitive when Federal spending is gone, we may be faced with reducing our standards to something less than a Type A lunch. Nutritionists may be the first personnel to be eliminated when the reduction in force begins. The very purpose for establishing the program will then be defeated.

In reviewing the direction of the proposed cuts, it seems as if no consideration is being given to maintaining at least the National School Lunch Program. Priority should be extended to the public school lunch program with outside agencies, such as residential institutions, being more vulnerable to reductions. Many of these public institutions receive funding from other sources. A recent poll in Newsweek magazine indicates that the general public is more supportive of maintaining the current funding level for school nutrition programs then defense spending.

Certain Administration officials purport that Middle Class America can pay the inevitable increased price for school lunches. We have also been told that the reduction in the amount of Federal income tax that a family will have to pay will amount to two or three times as much as the increase in the price of a school lunch. Obviously this will put the school lunch program in competition—cost-wise—with a fast food lunch. This brings to mind a number of other considerations: Will we be jeopardizing the opportunity to teach proper nutrition management? Will we be eliminating the opportunity to partake of proper meal constituents? What if the effects of such drastic cuts have been misjudged, and school lunch programs are forced to shut down leaving no assistance for low income families? What would happen to the immense commitments to school lunch programs by counties if they do not continue to operate?

Mr. Chairman, you have been very kind in allowing us to present to you our concerns. I am aware of many instances that you have shown stamina, fortitude, wisdom, and great compassion in working for the children of our country. I sincerely hope that we afforded you assistance in determining the direction that should be taken in this matter by our government.

STATEMENT OF JOSEPH MORRISON, ASSISTANT SUPERINTENDENT, WOOD COUNTY SCHOOL SYSTEM, PARKERSBURG, W. VA.

Mr. MORRISON. Mr. Chairman, I would simply say right now that I am also a part of the same county that Mr. Leech is part of. And we work together. And you will hear from Mrs. Bell in just a moment.

And by your own action a while ago, I am going to vary from what I had written down and just make a few comments.

First of all, you will recall that Mr. Leech told you that we have about 20,000 students in our county, that we have indeed served on an average about 11,500 meals, and we employ directly related to service personnel 174 people.

In listening to all of the other things in the short time I have been here that has been said, I concluded that what I might say is not different than has been said before. But I will take the opportunity to reemphasize some things that from a county level, looking not at just hot lunch but other things as well, are going to be damaged by this, and say it in this way:

First of all, that cuts are not equal. That is a fact coming to you from the county.

Second, that nutrition is going to be drastically affected, no question. People will be out of work. As a result of those people being out of work, we will have requests for additional welfare kinds of things.

When the cuts come, if they have to come, there is a logic, there is a way to do it. And we appreciate the opportunity to write down some of the things that we think might help you. Some of those are contained in the text of what I have written down and I know that they are contained in other people's texts as well.

Cost efficiency will suffer. No question.

And finally, the resources of this Nation will be directly affected. Go back to what I heard here just a moment ago and earlier. You and I recall just at the end of World War II, about 1946, when this all was coming about, and the reason for it was indeed that. Because of dental and health problems, primarily malnutrition, 50 percent could not get into the armed services.

We decided as a country we needed to do something about that, and we did. Most of us participated in that from that time up until right now.

But you know, I consider that a part of defense. That part is just as great as the guy who thinks that the armament—well, this is the greater part of it, really—the armament does not do any good without the personnel. You have got to have it.

So now, Mr. Chairman, I will make a proposal to you, tongue in cheek: Perhaps we could have Congressman Perkins serve as the chairman of the Defense Committee, combine the two, and let us put all this under defense. We find money for defense, $18 billion coming up in addition. Why not?

Mr. Chairman, now I will read just a little bit, because I think it is important to get this right. It expresses my feeling about the job that you have done and I think it expresses the feeling of the people that I have talked to about this.

You have been very kind in allowing us to present the arguments to you today. The State of Kentucky has been very kind in allowing us to be here. I am aware of the many instances in which you personally have shown stamina, and today may be one of those, fortitude, wisdom, and great compassion in working for the children of this Nation. I sincerely hope that we might have had some part in affording you some information you might need in doing your job. And certainly I think that each of us would be very happy to do beyond dealing with our own constituents anything we can on behalf of not one sector of the educational program, but all of them.

Thank you.

Chairman PERKINS. Thank you very much, Mr. Morrison.

Next witness is Mrs. Maudie Karickhoff.

STATEMENT OF MAUDIE KARICKHOFF, PROJECT ASSISTANT, DEPARTMENT OF HOME ECONOMICS, MARSHALL UNIVERSITY, HUNTINGTON, W. VA.

Mrs. KARICKHOFF. Very good.

My name is Mrs. David Karickhoff, Maudie. I work as a project assistant in the Home Economics Department at Marshall University in Huntington, W. Va. However, today I speak as a concerned home economist and a mother of two school-aged children.

I oppose the proposed cuts in funding for child nutrition programs, which includes, among others, school lunch, school breakfast programs, and the nutrition education and training programs. I appreciate your providing this opportunity for me to tell you my reasons for this position.

As a home economist, I feel that it is vital for all children to have available to them the school lunch program. If funding is cut for free and reduced lunches, needy children will be placed in nutritional jeopardy. If reimbursement for all lunches is cut, the price for lunches for paying children will increase to the point that parents will feel that they can no longer afford them. School lunch programs will likely face financial difficulties, if not bankruptcy.

For many children the school lunch is the only balanced meal they get throughout the day. Research shows a direct correlation between nutritional status and learning ability. If we are to expect that children will perform well academically, we must help to see that they are neither hungry nor undernourished.

Further, as a working mother, I want a hot, nutritious school lunch available for my children at a price that I can afford to pay.

And most of us have made these points today. However, the point I wish to speak to most strongly is the necessity for nutrition education to accompany school lunch programs. As important as it is to feed children, making food available is not the whole feeding story. Not only must food be made available, but food attitudes and knowledge must be improved so that food which is offered will be accepted.

Children and adolescents need help to learn to make wise food choices not only in the lunchroom but throughout the day. As family incomes buy less and less due to inflation, food choices within that budget require more nutrition knowledge. I believe that the nutrition education and training program has made large strides to help with these choices in the following ways:

No. 1, coordinating curriculum deveopment efforts in nutrition so that children everywhere and at all grade levels from preschool to 12th grade will be taught accurate, up to date information based on guidelines established by the White House Conference on Nutrition.

No. 2, providing inservice training for elementary and secondary teachers in order to improve their nutrition knowledge and teaching techniques. Elementary principals of schools where this training has taken place report that teachers are incorporating tasting experiences and nutrition information into other subject matter areas. Also, principals and parents report improved acceptance of food following classroom tasting experiences.

No. 3, by helping to fund development of new and innovative teaching materials. In West Virginia we have been introduced to experience education materials which were developed in Nebraska through NET funds. These consist of 11 nutrition concept kits, each of which is housed in a large cylindrical package, which we fondly call barrels. They are about this big around and about this tall. Each is a self-contained teaching-learning program with innovative, creative teacher and student materials included.

I feel very strongly that if Federal budget cuts are necessary this year, the Congress surely can find areas to cut that do not so directly affect the health and well-being of the next generation, as does cuts in school lunch funding. Therefore, I urge full funding of child nutrition programs, including nutrition education and training.

Thank you.

Chairman **Perkins**. Thank you for a good statement.

The next witness is Mrs. Hortense Bell, nutritionist, Wood County, Parkersburg. Go ahead.

STATEMENT OF HORTENSE H. BELL, NUTRITION CONSULTANT, WOOD COUNTY SCHOOL LUNCH PROGRAM, PARKERSBURG, W. VA.

Mrs. **Bell**. Mr. Chairman, thank you for permitting me to appear before this committee, because I am gravely concerned about the impact on the nutritional well-being of children which may result from the proposed cuts in funding to the child nutrition program.

Presently the required meal pattern offers the child a nutritionally well-balanced meal which provides one-third of the recommended daily dietary requirement. The proposed cuts would add a financial burden to the paying child that would ultimately result in a cold lunch being brought from home.

This financial burden would have even greater significance to families having more than one child in the school system. My observation has been that children bringing their lunches from home do not always follow the accepted nutritional guidelines. There is a great risk of consuming empty calories through the popular use of such items as cakes, potato chips, candy bars, and other snacks containing high quantities of sugar, fat, and salt.

Regardless of the socioeconomic status of the family, lifestyles do not always guarantee a nutritionally balanced meal at home. Studies have shown that a large number of students arrive at school having eaten an inadequate breakfast or none at all, and arriving home in the evening only to partake of the same type of foods.

Without the school lunch in its present form, these children would be deprived of the one nutritionally sound meal during the day. For example, school lunches today serve foods that provide sources of iron, a very important element, because current research contains evidence that children who lack iron tend to fall behind in their studies and achievements.

With the proposed cut in funding, there is an extreme possibility that school lunch will revert to a welfare program, thus damaging the self-image of children of low-income families. We have spent several years in planning and implementing methods and procedures to insure the anonymity of the free and reduced child, because there is evidence that a child who has a poor self-image does not learn so readily.

The school lunch cafeteria serves as a learning laboratory and promotes better eating habits among all children, as shown by the 1974–75 nutrition education project conducted in the State of West Virginia. A significant difference in plate waste and eating habits was demonstrated after the teachers had included nutrition education in the curriculum. The difference was significant in five out of seven food items studied.

The NET funds are continuing to provide nutritional education in West Virginia. In Wood County, principals or schools involved in this NET program have stated that the result was a more positive attitude by both students and parents toward nutrition in general and specifically toward participation in the school lunch program.

All children have need for the school lunch program, regardless of the family income. Pricing the school lunch out of the reach of the middle income child will eliminate the assurance that he too will receive at leat one nutritionally well balanced meal during the day.

Thank you.

Chairman **Perkins**. All right. Our next witness is Dr. Dallas Blackenship, director of administrative services over in Huntington. Is he here? Cabell County?

Not here. Next witness is Mrs. Jeanine Woodruff. Go ahead. You are a parent in Huntington.

STATEMENT OF JEANINE WOODRUFF, PARENT, CHILD DEVELOPMENT PROGRAM EMPLOYEE, HUNTINGTON, W. VA.

Ms. **Woodruff**. Yes, I am a parent, and also an employee of a child development agency.

Chairman **Perkins**. Go ahead.

Ms. **Woodruff**. Thank you.

As a parent of four school-aged children and an employee of a child development program, I am distressed over President Reagan's proposed cutbacks in the Federal food program.

In my job and in my family life, I am very concerned about children getting the nourishment that they need in order to develop properly both physically and mentally. I believe that the proposed cutbacks would lead to a deterioration in the quality of the nutrition children now receive in public schools.

Region III child development services, for whom I work, places heavy emphasis on nutrition and the quality of the food we feed our children. A well balanced diet, including a variety of foods high in protein, minerals, and vitamins, aids the child in all areas of development.

Muscle development will be enhanced, assisting the child in a wide variety of fine motor and gross motor and small muscle accomplishments.

Sickness will be reduced to a minimum in the child who is well nourished. The child who is continually sick, as you know, loses ground in development achievement.

Emotional and mental health are closely related to a healthy body and well-functioning nervous system.

A child's social development is more positive in the environment of good mental and physical health.

And behavioral problems are often closely related to poor nutrition and can frequently be controlled by the use of proper nutrition.

Since preschool, elementary and secondary programs place a lot of their emphasis on muscle development, behavior guidance and social and emotional growth, it seems almost tragic to remove one of the basic requisites for achievement in these areas, adequate nutrition.

Possibly it is assumed that there may be some waste in the food program and that these proposed cutbacks will just eliminate some of that waste. In light of this, I consulted the principal of the school my children now attend to find out how he had dealt with the problem of waste. The enrollment of the school is slightly over

800 students and there are eight cooks and kitchen staff employed. The school, heavily populated by low income families, serves breakfast in addition to lunch.

The sizes of the servings at mealtimes are adequate but not large. Second servings are allowed only in the event that a child is really in need and may not get other meals at home, which happens quite often.

If occasionally a staff is not well received and much of it is uneaten, the staff changes that particular menu so that the waste does not occur again. Teachers are required to eat lunch with their classrooms, to supervise the meal and give the administration feedback concerning problem areas.

If commodities to schools are reduced and moneys to the food program are cut by 35 to 40 percent, schools such as this one are going to suffer. The amount of waste that occurs in a school such as this is nowhere near 35 to 40 percent or more of its budget.

Any money not going directly into food and food preparation is spent on purchases of badly needed equipment. If these cuts are instituted, it would probably mean that there would be no money to purchase equipment and that the number of cooks and food service personnel would have to be reduced, adding even more to the rolls of the unemployed. This would in turn require the purchase of more quick foods which take less time and hands to prepare and are also more expensive and often less nutritious.

In our facilities, we serve about 90 people lunch daily. Seventy-five of these are also served breakfast and an afternoon snack. We hire one full-time cook and the director of the program handles the purchasing of all food, which is served by the teachers and aides in the program. We have opted to take cash in lieu of commodities, which is possible through the food programs. Therefore, an across-the-board cut of 35 to 40 percent and approximately 10-percent commodity money could mean that our food program would be cut by as much as 50 percent.

About two-thirds of the children in our program are from low-income families and qualify to have their child care fully or partially paid by title XX funds from the Federal Government. The title XX reimbursement is $6.50 per child for each day the child attends the program. This is $1.50 to $3.50 less than the payment required of parents who do not qualify for these funds.

Present meal reimbursements partially help to make up the difference, but even at that we are still operating in the red with many of the title XX children in our program. If the proposed cuts were enacted, we would be forced to refuse day care services to title XX families. This would be a great loss to both these families and the economy, as all these parents are in school, job training or are working at low-wage jobs.

As mentioned previously, our facility serves an afternoon snack to the children. The proposed cutbacks would eliminate the money for these snacks. Yet, the State day care licensing regulations require that we serve an afternoon snack. The cost would have to be passed on to the paying parents who are already paying more than the title XX reimbursement, and there would be no way we could get any more money from title XX.

In West Virginia, approximately 3 years ago a survey was done of the school lunch programs to determine how much waste occurred and what could be done to eliminate that waste. As a result of the study, nutrition training was set up to train school staff how to make children aware of the variety of foods that exist and the value or the lack of value of these foods to their bodies.

In our own program, this training has been quite valuable. Staff awareness has gone a long way in influencing the attitude of children toward food. This awareness, plus a conscientious cook and food buying director, have helped us keep waste at a minimum.

In addition to this, the nutrition education has helped the children and their parents form better dietary habits. Therefore, we feel that the money that is put into nutrition education is well spent and in fact helps eliminate waste.

As a parent of four children, I am presently paying $2.50 per day for my children to eat school lunches. With the proposed budget cuts, I will be paying approximately $5 a day for my children to eat at school. I am concerned that with prices such as these children who cannot afford a $1.25 a day for lunch will opt for a candy bar or a coke to get them through the day.

My main concern is that careful attention be paid to the needs of young children and programs that serve them before budget cuts are made in such a vital area.

Thank you.

Chairman **Perkins**. Our next witness, thank you, is Ms. Hensley, West Virginia food law project. Go ahead.

STATEMENT OF NUNNA HENSLEY, WEST VIRGINIA FOOD LAW PROJECT, ON BEHALF OF THE WEST VIRGINIA ANTI-HUNGER COALITION

Ms. **Hensley**. Thank you, sir.

Chairman **Perkins**. Without objection, all these prepared statements will be inserted in the record.

Ms. **Hensley**. First off, I would like to thank you and the rest of your committee for coming to us, the constituents, rather than us having to come to Washington to tell you about what is going on here in Appalachia.

I am Nunna Hensley and I reside at Route 1, Box 49 in Morgantown, W. Va., and I am a staff person of the West Virginia Food Law Project and a member of the West Virginia Anti-Hunger Coalition and also the National Anti-Hunger Coalition.

Today I would like to speak on behalf of the Anti-Hunger Coalition and the children and the mothers and parents of this State, the State of West Virginia and Appalachia.

In the course of my job and other jobs that I have held in this State, I have observed hunger issues in this State and how it affects our children and in our surrounding States. Over the years I have been able to watch a good program grow and to become even more successful.

I remember as a child in 1948 when the hot lunch program came to my school. That hot lunch cost 25 cents. And that lunch also meant that I no longer had to carry a lunch in a lard bucket. And if you remember carrying lunches in lard buckets, the mayonnaise on your sandwich became smelly and then oftentimes it became spoiled. And I no longer had to do that.

My parents liked the program because it also meant that if they gave me a quarter to pay for a school lunch that I would buy a school lunch and not go across the street and buy the pastry. And I had a problem with obesity, so it was wise for me to go to the school. My mother was a teacher and she also knew that that lunch would be a nutritious lunch.

On, then, with this history lesson. In 1961 I taught school in Lincoln County, W. Va. It is a very rural poor county in West Virginia. This was in the days before we had a food stamp program in West Virginia. Of the 30 students in that one-room schoolhouse, only 1 child came from a working home. There was no lunch program at that school. And at times I felt guilty about bringing that smelly mayonnaise sandwich back to the schoolroom.

The families did not receive food stamps, but many of them, 98 percent of them, were eligible for the old commodities program and they could have the commodities if they could get to the county seat to pick them up. The commodities consisted at that time of high starches and very few proteins, and many of the parents did not know how to prepare the commodities that they received. They were hardly the kinds of things that children can carry in a lunch.

That school has now consolidated with four other schools on that creek and they have a very fine lunch program now. And the rate of malnutrition on that creek has lessened.

In West Virginia all but four of our public schools, participate in the Federal lunch program. And based on figures that I received from the State board of education, food nutrition service, there are 235,481 children participating in that program. Of this figure, 112,134 are free lunches and 29,174 are reduced, and the remaining 94,173 are paid lunches.

These are January figures and this was before the reimbursement level was changed in March of this year. And the State office has now indicated to me that the counties are reporting a lower participation rate of between 3 and 6 percent for reduced lunches. And I believe this is largely because of the hardship clause that was removed from the eligibility guidelines.

Now the Reagan administration is seeking to cut $1.573 billion from the $3.918 billion child nutrition budget. He has created a new class of people called the truly needy. His budget cutters have stated that the cuts will not hurt the truly needy, but on the contrary these children will be affected.

Many of the 29,174 children in West Virginia who receive a reduced lunch will be removed from the program. These students are not being considered truly needy and the Federal money will be reduced accordingly.

If this proposal passes, families of four who earn about $15,490 per year are likely to drop out of the program as the cost of the lunch increases. As these families drop from the program, schools will be unable to finance the program or decide not to continue the lunch program because they will no longer be able to continue to serve all of the students. Thus another program is lost to the poor and another piece of military machinery is going to be built.

Although this hearing is about child nutrition, I believe we must look at the Helms amendment to the food stamp program. This amendment, as I understand it, would reduce food stamp benefits for all families with children enrolled in schools that serve school lunches. The poorest of families in West Virginia and Kentucky would lose about $12 a month in food stamp benefits. It is my understanding that the child does not even have to be eating at that school, just be enrolled.

The Senator from North Carolina feels that our children are double-dipping in nutrition programs. In West Virginia, the average food stamp grant is between 31 cents and 36 cents per meal per person per day. And many families depend on the school lunch program to stretch their food stamp dollar just a little bit farther.

I have seen children who have gone from Friday lunch until Monday lunch without proper food in their homes, because the food stamp allotment is not large enough to stretch it over a weekend.

In my own home, I am the sole support for three children, all three in school. I am one of the working poor. We qualify for reduced lunches, but not for food stamps.

Two of my children attend a high school which does not participate in the Federal lunch program. Their lunches cost me $42 a month if I can produce the 1 per day to feed them. The third child does receive a reduced lunch.

If I have to pay the proposed increase, it will cost me about $60 to $70 a month to feed the three children. I would probably have to drop out of the program after grade school. I just cannot afford the added expense, because fuel oil per gallon has risen to $1.36. It has truly become a question in our household of heat or eat.

Not only has the cost of fuel oil risen, but the cost of food in the supermarket and the utilities. But my real concern now is for families who earn even less than I do and who may have higher medical bills.

We at one time were eligible for free lunches because of the hardship clause. The hardship clause allowed many families to participate in the lunch program, either at the reduced rate or for a free lunch. For families with handicapped children, the elimination of the clause has put a financial burden on families with already high medical bills.

I feel that the lunch program has been a huge success in West Virginia and Kentucky in that it has provided a foundation of equality in a bipartisan way. Good nutrition has reduced malnutrition and increased student productivity in the level of education.

But before ending, I would like to say a few words about the women and infant care, commonly called the WIC program. There is a proposed cut of 30 percent in that program, which means about 7,383 women and children in West Virginia would be removed out of the 20,000 participants in that program.

And I would like to deviate at this point and say that we are not taking care of all the women and children who need this program in our State.

These women and children would no longer receive nutrition education geared to their specific nutritional needs or receive the supplemental vitamins and foods that they need.

In West Virginia the infant mortality rate is quite high and the rate of teenage pregnancy is also high. And I believe that these two are connected. These girl children do not have the needed nutrients to see them through a pregnancy. Their babies then suffer because they have not received the nutrition from their mothers that they need during that pregnancy.

Studies have shown that the prevention of disease is less expensive than the treatment of disease. One of the unique aspects of the WIC program is the idea of prevention.

To be eligible for WIC, a client must not only be low income, but also be at risk. And teenagers are at a risk because of their age and their diets.

The Reagan administration has also proposed the idea of block grants that would allow States to operate their own programs without Federal guidelines. This idea would throw all of the nutrition programs into direct competition with each other. All of the programs would be reduced in the amount of Federal money available to them.

Presently the programs are uniform nationwide. If block grants succeed, States would be allowed to set their own controls and possibly favor one program over another. I really wonder if individual States can possibly administer these programs fairly.

In summation, I would like to say that the Federal nutrition programs have been the most successful of any of the Federal programs. We cannot now afford to take a step backward, but we need to keep on fighting the war on hunger. The war is not over and the proposed changes in child nutrition will reverse, not forward, the victory over hunger.

And I would like to thank you for your time.

Chairman **Perkins**. Thank you very much.

I understand that Mrs. Faith Gravenmier, school lunch director of West Virginia, would like to testify. Go ahead.

STATEMENT OF FAITH GRAVENMIER, SCHOOL LUNCH DIRECTOR, WEST VIRGINIA

Ms. **Gravenmier**. Mr. Chairman, I did not prepare a written testimony today.

I felt it was important for us to bring to you the feelings and the information from a rather wide selection of our West Virginia operators of our child nutrition programs. So that is what we attempted to do.

We appreciate you giving them all an opportunity to share with you their concerns and their ideas concerning the scope of the problems which they will have with the budget reductions as proposed.

I just wanted to share with you some of the thoughts that were shared with me this morning at a State meeting of our Elementary Principals Association. At that time a representative of the Department of Agriculture briefed them somewhat upon the proposed budget ramifications. There was a consensus of most of those principals, I believe, who were in attendance at the meeting that if meal prices were increased to $1, $1.25, maybe even higher, that the paying children now paying an average of 50 to 75 cents, as you have heard, throughout our State, that these children would no longer eat, or at least they would no longer eat on a regular basis.

They might come to the doors when something special was being served, such as, as you remember the high school children mentioned, pizza, pizza day or some other special day, birthday day, they might bring their extra money at that point in time and purchase a lunch.

They were most concerned with the idea of having to tell parents of reduced-price children, many of these are large families with many children in school. They were most upset at having to consider the idea of telling these parents that the reduced-price lunch might increase to 65 cents.

Last year these same parents were paying 10 cents for that lunch. This year they are paying 20 cents. And then to tell them that they would have to pay 65 next year was just beyond their comprehension as to how they would cope with that situation.

Some of them did express great concern about the loss of most or all of the commodity foods. Those have been a big help in many of our rural areas in West Virginia. In some of our smaller counties, it is difficult for them to purchase the type of foods at the price that would be comparable to those spent by the Government for these foods.

The big recommendation from that group was to consider very strongly, both as a measure of economy and as a way of reducing the budget, and also as a means of credibility for the program, I would say probably it was the consensus of the whole group, that the income scale should be removed entirely from the notice to the parents, which in our particular State goes out on the reverse side of the application for free or reduced pricing.

That was our recommendation, both as a measure of lending more credibility and of economy to our program and also as a way of possibly cutting costs.

Thank you, Mr. Chairman.

Chairman Perkins. Mr. Hawkins, any questions?

Mr. Hawkins. No. I think it is a very excellent panel, Mr. Chairman. I have no questions.

Chairman Perkins. Mr. Kildee?

Mr. Kildee. I would like to thank the panel. I appreciate this opportunity to hear from you people in the field who are delivering these services, and to benefit from your information and sensitivity. I thought I was pretty well armed before, but because of your testimony, I am better armed to go back and do battle with the people on Capitol Hill in opposition to these budget cuts.

Thank you very much.

Chairman Perkins. I want to likewise compliment the panel. I do not see any useful purpose of further interrogating the panel, in view of your statements. They were concise and excellent. And we appreciate all your appearances.

And we hope to see you again some time in Washington or back here at Paul Blazer some time.

Now let me ask, Do we have anyone else in this library that desires to testify? Anybody? I give you a chance.

[No response.]

Chairman Perkins. All right. Let me thank all of you. You have been most helpful to us.

[Whereupon, at 3:53 p.m., the hearing was adjourned.]

[Information submitted for inclusion in the record follows:]

SOUTHERN KENTUCKY
HEAD START PROGRAM

Charla Crowell
Head Start Director

310 E. Eighth Street
Bowling Green, KY 42101
Phone (502) 781-3721

March 24, 1981

Congressman Carl Perkins
2328 Rayburn Office Building
Washington, D.C. 20515

Dear Congressman Perkins:

On March 13, 1981 I attended the Hearing on Vocational Education and Child Nutrition Programs in Ashland, Kentucky. At this time I submitted written testimony on the Impact of Proposed Budget Cuts on Southern Kentucky Head Start.

I am enclosing a revised copy of my submitted testimony on which I would like for you to note the following: 96% of our Head Start enrollees are classified under the Free category. Most of the food service directors which spoke at the hearing had a much lower percentage of children in the Free category. With such a large percentage of Free participants in the Child Care Food Program, it is easy to see how dependent Southern Kentucky Head Start is on USDA assistance.

I thank you for the concern and support you showed the Child Nutrition Programs and hope the enclosed report will be just a bit more ammunition for your subcommittee to use. Please let me know if I can furnish any more information or be of any other assistance in this matter.

Sincerely yours,

Cathy Wade

Cathy Wade
Nutrition Coordinator

CW/vb

Enclosure

cc: Chron

SOUTHERN KENTUCKY
HEAD START PROGRAM

Charla Crowell
Head Start Director

318 E. Eighth Street
Bowling Green, KY 42101
Phone (502) 781-3721

IMPACT OF PROPOSED USDA BUDGET CUTS

ON

SOUTHERN KENTUCKY HEAD START

Compiled by Cathy Wade, Nutrition Coordinator

Southern Kentucky Head Start serves 348 children in the seven county area consisting of Allen, Butler, Edmonson, Logan, Monroe, Simpson, and Warren counties. Nutritional services offered consist of providing meals which supply 1/2 to 2/3 of a child's daily nutritional needs, counseling with parents whose children have nutrition-related health problems, and training Head Start parents on nutrition topics. The Nutrition component is heavily emphasized by the Head Start Performance Standards.

The United Stated Department of Agriculture (USDA) reimburses this agency for food services according to the following chart:

	FOOD AND MILK PURCHASED	LABOR	NON-FOOD SUPPLIES	PURCHASED SERVICES	ADMINISTRATION	TOTAL EXPENDITURES	TOTAL REIMBURSED BY U. S. D. A.	DIFFERENCE PAID FROM HEAD START BUDGET
1979-80	$36,130.14	$15,519.02	$1707.60	$142.50	$9,770.96	$63,349.90	$48,244	$15,105.90
1980-81	$43,153.05	$20,637.00	$1200.00	$175.50	$8,903.47	$74,099.50	$53,115	$20,984.50

CHILDREN SERVED - NUMBER AND PERCENT OF FREE, REDUCED, AND PAID MEALS

Free	311	96%
Reduced	6	2%
Paid	7	2%

IMPACT OF PROPOSED BUDGET CUTS

Page 2

The following chart shows the number of meals served during the past two years:

	CHILDRENS MEALS			PROGRAM STAFFS MEALS		TOTAL
	BREAKFAST	LUNCH	SUPPLEMENT	BREAKFAST	LUNCH	
1979-80	26,453	26,357	25,053	5,121	6,186	89,170
1980-81	29,177	29,330	12,702	5,586	6,722	83,517

Supplements are an important factor in meeting a child's daily nutritional needs in the Head Start Program. Specifically, supplements are counted in meeting the requirement of 1/2 to 2/3 of a child's nutritional needs as mandated by the Head Start Performance Standards.

During the 1979-80 school year, the reimbursement for supplements amounted to 14% of the total amount reimbursed by USDA. Due to rising costs and the decrease in the reimbursement rate, the amount reimbursed in the 1980-81 school year is only 7% of the total reimbursement. We feel that further cuts in the reimbursement rates for supplements will hamper the achievement of providing the minimum nutritional requirements for Head Start children.

Because of a very tight Head Start budget, Southern Kentucky Head Start depends on USDA assistance to purchase kitchen equipment. During the past two years, USDA funds have provided $1,672.39 to purchase equipment for our program. In the future, we need to purchase fire safety hoods and other items which are required by the Kentucky State Fire Marshall in order to maintain current levels of food production and meet licensing standards. These items will cost approximately $2,500. Without USDA assistance to purchase these items and other needed equipment, our ability to meet state licensing codes will be in jeopardy. This money is not available in the Head Start budget.

As is evident by the above statements, this program heavily depends on USDA reimbursement. Any future budget cuts will severely hamper the nutritional services provided to our Head Start children. Please let us know if we can furnish more information or be of any other assistance.

IMPACT SUMMARY:

- The Southern Kentucky Head Start budget is already consuming $20,984.58 or 39.5% of total expenditures for the food services program. If the supplement reimbursement is cut, we will have to absorb approximately 7% more.
- With the Southern Kentucky Head Start budget being used at its maximum potential, a reduction in nutrition services is evident if USDA assistance is cut.

Prepared by Josephine Martin, Director, Local Systems Support Division, Georgia Department of Education, Atlanta, Ga.

Mr. Chairman: I am Josephine Martin, Director of the Local Systems Support Division of the Georgia Department of Education. In this position I am responsible for several programs in the Department including the School Food and Nutrition Program. From 1961 to 1978, I served as Director of the Georgia program. I am also a past national president of the American School Food Service Association. I am pleased to have an opportunity to present my views to you on the impact of the Administration's 1982 budget proposals on school nutrition programs in Georgia.

First, I wish to make serveral general statements about the proposed cuts. One, these proposals which would require changes in the authorizing legislation represent a reversal of the national policy on school nutrition programs which has existed since 1946 and the formal beginning of the National School Lunch Program. The policy is reversed in two ways. The program began as a nutrition program for all children based on evidence emerging from the military draft in World War II. That evidence showed that half the young men who were rejected by the military were rejected for physical reasons related to malnutrition. That evidence showed that it was not just the poor boys who exhibited symptoms of poor nutrition but boys coming from all socioeconomic levels. The Administration proposals would change the program's philosophical basis from that of a nutrition program to a welfare program.

The second way in which the federal policy is reversed is in the withdrawal of the federal government in funding social programs. From 1946, the National School Lunch Act envisioned a cooperative relationship between federal, state and local governments in providing lunches for all children. The existing legislation provides for the federal government to pay the full cost of meals to economically needy children. Local and state governments are required to match funds for lunches for paying children. Secretary Dick Lyng, speaking to ASFSA's legislative conference on Monday, indicated that the Administration's proposals expected the local and state governments to help pay the cost of meals for free and reduced price children.

Second, the Administration proposes that all cuts are fair and would not hurt the needy. The proposed cuts for child nutrition represent almost half of the present federal budget for these programs, whereas the overall budget cuts proposed represent less than 10 percent of the total budget. We feel that the share of cuts targeted toward the child nutrition program are disproportionate. In addition to being disproportionate, they are targeted in such a way that the total program would be dismantled.

Third, the Administration proposals indicate that the poor would be protected from the cuts, that a safety net exists which would protect the poor. Mr. Chairman, that safety net has such big holes in it that a very large percentage of the poor will fall right through the net. When the paying children drop out of the program and the volume of meals being produced in a school drops, the cost of producing the meals for poor children will increase beyond the level of federal support. What will happen then? Will local school systems have the funds to pick up the difference in the costs? Most likely, no. Most likely, those children who are paying for their lunches will be burdened through even higher sale prices to support this additional cost for free meals. One major school system in the South has projected that the cost to the paying child may have to be set as high as $2.20 in order to pick up the difference between federal support and meal costs for needy children. How will the child who is eligible for a free meal feel about going to the cafeteria when only the poor can afford to eat? Children have feelings.

Fourth, it is expected that 35,000 schools nationally will go off the national school lunch program simply because they cannot afford to subsidize the program to the extent required to keep the program for the poor children. For each 100 paying children who drop out of the lunch program, the school's income loss is $7,200. The school nutrition program has widespread community support since all children who choose to may benefit from the program. It is like a tax rebate for middle income families who have children and grandchildren, nieces or nephews in school. It is a federal program that works. It is a federal program that benefits all layers of families. The Administration's proposed tax cuts for 1981 would give a family of four with $15,000 income a tax cut of $75 this year, and the increased cost of lunches for the two children would be $144 (180 school days x 40 cents).

One may conclude that the child may bring lunch from home as a means of offsetting the increased cost of school meals. A cost analysis of a bag lunch that provides less nutritional value than the school lunch shows that it would cost about $1.20 to prepare (Exhibit A). Either way, the middle income family will have to pay $72 more per year per child for lunches . . . whether it is brown bagged or whether the child eats at school.

And now I shall turn to the impact of these proposed cuts on the school lunch program in Georgia. Approximately 84 percent or more of Georgia's children eat lunch at school each day * * * that represents 800 thousand children. Half of the meals are served to children who pay for their meals. About half the meals are served as free or reduced price meals. It has been the basic philosophy of the Georgia Department of Education since the program began in 1943 that school lunch was an integral part of the educational program. The Georgia Department of Education established a school lunch division in 1943 * * * that was the first year that Congress provided funds for helping to pay the cost of school meals for all children. All public schools in Georgia participate in the National School Lunch Program and almost half the schools participate in the school breakfast program.

What will be the impact of the President's proposal to eliminate federal funding for lunches and breakfasts for paying children?

The President's proposal to eliminate cash and commodities for lunches to paying children will (1) affect 491,000 children each day, (2) increase sale price of lunch from 50 to 90 cents in October 1981, (3) transfer costs to parents of $72 per child per year, and (4) reduce revenue to local schools by $7,200 per year per one hundred paying children.

It is projected that these changes will result in at least 120,000 or 30 percent of the paying children dropping out of the school lunch program, and about 3,000 paying children dropping out of the school breakfast program. We have no precedent to use in projecting the impact of a 40 cents increase in sale price. As a rule of thumb in the past we have been able to project at least a 5 percent drop for 5 to 10 cents increase in sale price. When the increase is quadrupled, we really don't know. Therefore, my estimate is conservative. A comparison of the number and percentage of paid children participating in the first four months of 1980-81 and 1979-80 indicates some startling findings. Fifty-seven percent of the schools in Georgia reported a sale price increase in September 1980. For the first four months of this year, 28,000 fewer children were buying lunches than last year. This represents a decrease of 6.25 percent with a 5 to 15 cents sale price increase. With a 40 cents price increase, it is reasonable to project a 30-percent decrease.

Paying children who participate in the school breakfast program will have to pay 15 cents more if the Administration's proposals are accepted. We project that 3,000 of Georgia's paying children would stop eating breakfast. As you know, it has been very difficult in some places to sell the breakfast program because it has been perceived as a program for poor children. It is unfortunate that our years of hard work to sell the importance of breakfast for all children will be negated by this proposed action of the Administration. Studies show that children who have an adequate breakfast have higher achievement scores. How will we ever break the poerty cycle unless we are able to provide an adequate educational opportunity for children?

What will be the impact of changing the guideline and reducing the reimbursement for children who receive reduced price meals?

The reimbursement rate for reduced price meals would be cut from $1.13 to 64 cents per lunch. Children who have been paying 20 cents would now have to pay 65 cents; or more than the national average sale price for paying children. We project a drop-out rate among these children of 25 to 40 percent. There are 60,000 children now receiving reduced price meals who would be affected by this proposal. Approximately 20,000 of those children would stop buying lunches and breakfasts at school.

Many children who now qualify for reduced price meals under the current guidelines would no longer qualify as the proposal would reduce the eligibility from 195 percent of the income poverty guideline to 185 percent. The Administration also proposes to eliminate the hardship provision for the reduced price child. Mr. Chairman, it is very difficult for me to understand the rationale of the budget makers when they say that the needy child will not be hurt. Many families who have both parents in the work force at barely more than minimum wage fall into the reduced price category. Many families prefer to accept a low cost meal, even though they may qualify for a free meal.

We noted in making the comparison of participation for 1980-81 with 1979-80 that many children apparently applied for reduced or free meals when the price of the lunch advanced beyond their budget. We have observed over the years that many families in Georgia will not accept or apply for a free meal because they do not wish to accept what they consider welfare. But when the support is available for all meals, they are willing to pay the cost of the meal.

What is the impact of the Administration's proposals on needy children?

The needy will suffer:

(1) The guidelines for free and reduced price meal eligibility will change, therefore reducing the number of children eligible for free or reduced price meals. These children will then fall into non-needy category and pay non-needy prices.

(2) The children who remain eligible for reduced price meals will have to pay at least 45 cents more for their lunch at school.

(3) When the sale price of lunches to the non-needy increases, and the school-day eating habits of non-needy children are forced to change, the needy children will be left as sole participants in the program and will be overtly identified. Schools fear such identification and have worked diligently to overcome.

(4) The quality of the meal served to needy children will be lowered due to the increased cost to produce that meal. A principle of quantity food service is the greater the volume of meals prepared, the lower the cost per meal. When non-needy children no longer buy the lunch at $1.00 to $1.25, the volume decreases. The cost of the meals provided to the needy increases and demands either (a) more federal dollars to support or (b) reduction in quality and quantity of foods served.

(5) Many schools throughout the country will drop the program rather than allowing it to become a welfare program. Needy children would not have access to a school-day meal.

What is the impact of the changes on the costs to the federal government of operating the program?

While there will be an initial drop in the cost of the program, there will be an increase in cost of free meals. Many families who failed to qualify for a free meal or a reduced meal, even though eligible, may have second thoughts when the price doubles.

Statewide figures for School Year 1980-81 reflect a shift in student participation from the paid and reduced price category to the free category. The following chart reflects those percentages of total meals served to each economic category.

	School year 1979–80	School year 1980–81	Increase or (decrease)
Paid	53.4	51.9	(1.5)
Free	40.2	42.0	1.8
Reduced	6.4	6.1	(.3)

The shift seen above can be attributed to needy families not applying for special assistance (free/reduced price meals) as long as the sale price is low. The greatest shift in students from the paid and reduced price categories to the free category is seen in areas which have a higher percentage of economically needy families.

Based on reimbursement rates in effect October 1980, the above shift from meals served to paid and reduced price children to free children cost the federal goverment for the one month $302,994. If this additional cost was projected for the school year, the shift would cost $2.7 in federal money over what it would have cost had the percentage of total meals served by category remained the same as October 1979, prior to sale price increases.

In summary, the Administration's proposals would dismantle the school nutrition program in Georgia. They would change it from a nutrition and education program to a welfare program. They would isolate the poor and further erode the self-concept of the child from a disadvantaged and low income home. They would redistribute the cost of the program for middle income children from the federal government to the wage-earner.

These are only the short-term effects. For 35 years we have been building toward a solid nutrition foundation for America's youth. In the early forties, the program began because we needed healthy, strong Americans as a measure of national security. Will it take another 35 years to prove that the school lunch experiment was a success? That our healthy American population was a product of the magnificient experiment that was operated between 1946 and 1981?

Mr. Chairman, thank you for the opportunity of appearing today to express my views on the proposed cuts in the child nutrition program. As one of the many school food professionals in America, I am grateful to you for your leadership in building a strong child nutition program. I pledge my continuing support to help maintain the programs so that all children who wish to have nutritionally adequate meals may have them available at a price they can afford to pay.

Exhibit A

COMPARISON OF COST AND NUTRITIVE VALUES OF HOME PACKED AND TYPE A SCHOOL LUNCHES

Dear Parents:

Once again we are looking forward to serving your children quality and nutritionally balanced meals during the 1980-81 school year.

Have you ever figured out how much it cost to pack a lunch for your child to take to school? And have you ever wondered about the nutritional value of that lunch? Chances are that if you have, you'll find that the lunch served at school as part of the National School Lunch Program is a much better bargain, not just money-wise but nutritionally more adequate. See comparison chart of menu below.

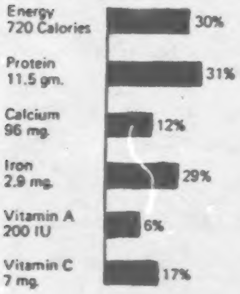
If you should pack a lunch for your child, may we suggest that you follow the "Type A" lunch pattern to ensure that your child is getting enough nutrients for proper growth and development: (2 oz. of protein; 3/4 cup of fruit and vegetable (one raw), and one containing vitamin A and one containing vitamin C; 1 oz. of bread or cereal (enriched or whole grain), and 8 oz. of fluid milk).

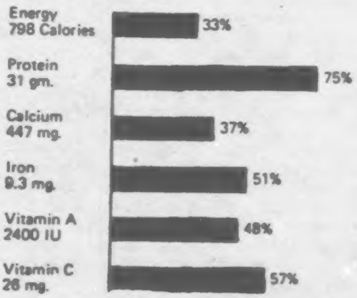
We would like to discourage home packed lunches that contain food with empty calories, such as candy, potato chips, etc., pre-packed cakes and sweets and all soda pop and flavored drinks.

HOME PACKED LUNCH	
SANDWICH	
1 oz. bologna	$.15
2 tsp. salad dressing	$.02
2 slices bread	$.08
SMALL BAG OF POTATO CHIPS	$.20
CHOCOLATE CUPCAKE	$.15
APPLE	$.30
FLAVORED DRINK	$.25
PAPER GOODS (sandwich wrap, bag, etc.)	$.05
TOTAL COST	$1.20

TYPE A SCHOOL LUNCH
SPAGHETTI W/MEAT SAUCE
GREEN SALAD W/CHOICE OF DRESSING
BUTTERED FRENCH BREAD
APPLESAUCE
MILK

TOTAL COST $.50





HEARINGS ON REAUTHORIZATION OF THE VOCATIONAL EDUCATION ACT OF 1963

Part 3: Vocational Education and Child Nutrition Programs

SATURDAY, MARCH 14, 1981

House of Representatives,
Subcommittee on Elementary, Secondary,
and Vocational Education,
Committee on Education and Labor,
Lexington, Ky.

The subcommittee met, pursuant to call, at 7:50 a.m. at the University of Kentucky Patterson Office Building Board Room, Hon. Carl D. Perkins (chairman of the subcommittee) presiding.

Members present: Representatives Perkins, Hawkins, and Kildee.

Staff present: John F. Jennings, counsel; and Marian Wyman, special assistant to the chairman.

Chairman **Perkins**. Let us start. Today the Subcommittee on Elementary, Secondary, and Vocational Education is continuing its field hearings on vocational education and the school lunch program.

President Reagan is proposing to cut back by 43 percent in child nutrition and by 25 percent in vocational education.

I felt that I should come to the district and hear the views of people from several States. I wanted to let you people know, to the best of my ability, what is going on in Washington and receive feedback from you people regarding what is happening with these programs at the local level.

Our first witness today is Superintendent Raymond Barber.

Come around, Superintendent Barber.

Mr. **Barber**. To sit at the table?

Chairman **Perkins**. Yes. Accompanied by Mr. Robert Spillman and Mr. Redwood Taylor.

You go ahead, Mr. Barber. I presume you may want to make the statement on both the vocational training and the school lunch program.

Mr. **Barber**. Yes.

Chairman **Perkins**. Go ahead.

And if you are utilizing some CETA workers you may make some remarks along that line.

STATEMENT OF RAYMOND BARBER, SUPERINTENDENT OF PUBLIC INSTRUCTION, STATE OF KENTUCKY, ACCOMPANIED BY REDWOOD TAYLOR, HEAD OF THE OFFICE OF RESOURCE MANAGEMENT AND ROBERT SPILLMAN, ASSISTANT SUPERINTENDENT FOR VOCATIONAL EDUCATION, KENTUCKY DEPARTMENT OF EDUCATION

Mr. **Barber**. Congressman Perkins and members of this distinguished committee, I am Raymond Barber, superintendent of public instruction for the Commonwealth of Kentucky. I have with me this morning Mr. Redwood Taylor, head of the office of resource management; and Mr. Bob Spillman, superintendent for vocational education in the State of Kentucky.

We sincerely appreciate the opportunity to appear before you this morning to present information on the effects of the proposed Federal budget reduction will have on education and related services in Kentucky.

The testimony that I am going to present to you this morning will be related specifically to the elementary and secondary education program, vocational education programs, and child nutrition programs.

However, I want to talk very briefly about the impact of proposed reductions on all Federal dollars available to education in the State. Kentucky education programs currently receive $203 million in Federal funds. A 25-percent reduction in these funds will mean at least the loss of $50.8 million for Kentucky.

The loss will probably be greater because some specific programs will be reduced by more than 25 percent. Because of a cut in State general funds, it will be almost impossible for the State to replace any losses of Federal funds.

Elementary and secondary education programs targeted for specific budget cuts will have a devastating effect on regular instructional programs or ESEA title I, ESEA title IV, EHA-B for handicapped children.

The title I program, which provides money for instructional programs for educationally deprived, neglected, delinquent, and handicapped children, has provided $61.8 million for Kentucky this year.

If these funds are reduced by 25 percent, some 43,500 educationally deprived children will no longer have title I services available to them in Kentucky. In addition, some 1,600 staff members currently employed with title I funds in local school agencies and State agencies will have to be laid off.

The long-range effect of this kind of reduction will be detrimental on the levels of achievement that title I children will be able to attain.

The title IV part B program provides money for school library resources and instructional programs for both public and private schools throughout the State. The 25-percent reduction in this area will affect every school district and every school child in the State.

Title IV part C, which provides money for local school district support, has been recommended for drastic budget cuts from the current year's funding level. If the projected cuts and recessions are made, Kentucky will receive only one-third of what is now available. This would take away most of the funds available to local districts for innovation.

A reduction by 25 percent in education for the handicapped, part B, would seriously impair services for handicapped children in the State. The cost of educating handicapped children is 1½ times greater than that of educating a normal child. Kentucky would lose $3.7 million Federal dollars in Federal funding, for handicapped children with a 25-percent reduction in funds. Every school district in the State would be forced to reduce services to handicapped children, which would then place them in the position of being in violation of Pulbic Law 94-142.

The child nutrition program has been targeted for drastic cuts. According to the latest information available, Kentucky will receive $25.5 million fewer Federal dollars, or a 41-percent reduction in Federal funds.

These cuts in child nutrition will have a definite negative impact on the food service program in the Commonwealth of Kentucky in the following ways:

One, Kentucky's average charge to the paying child is currently 70 cents. If section 4 funds and donated foods are eliminated on behalf of the paying child, many of these same children will be priced out of the program, since parents will be unable to bear a lunch price of $1 to $1.10. This 35-cent increase is based upon the present 4 rate of reimbursement and value of donated funds received.

Second, 55 percent of all participation statewide is to the paying child, and any reduction will have an immediate effect on the local district.

Third, if the proposed budget cut to the paying child is sustained, we estimate that a 10-percent reduction in participation will cause 256 full-time school food service employees to lose their job.

Four, the elimination of section 4 funds to the paying child would have a great impact on State matching moneys made available to local school districts, since the total is predicated upon section 4 funds received by the State.

The above reduction in Federal dollars for the program and the subsequent decline in paid participation will have a snowballing effect by driving up the cost of providing all meals. Currently, the average cost to provide a lunch in Kentucky is $1.05. This figure does not include the donated food amount of .1350 per lunch, which means that the total true cost of a school lunch is $1.18.

A certain percent of this is fixed overhead, which means that anytime participation decreases, the amount of overhead per lunch increases. It is for this reason that many schools will have to strongly consider withdrawing from the program and thus deny the benefits of nutritious school meals to all children, including the truly needy if these proposed budget cuts become a reality.

Vocational education has been recommended for a 25-percent reduction in Federal funds. We have made some projections on what effect these Federal cuts, if made, will have on vocational education programs in Kentucky. For local school districts, if the proposed 25-percent cut to vocational education becomes a reality, it could result in seriously reducing short-term training programs for up to 21,000 adults being served by local school districts, by cutting over $130,000 from their budget.

The total secondary vocational program—that is, the high school program—would also be affected, in that almost $750,000 of Federal funds would no longer be available to local school districts for the purpose of equipment, supplies, materials, and other instructional services for the approximately 160,000 secondary students.

In the State-operated vocational school, $1,450,000 would be lost in a 25-percent cut. This would mean that 58 vocational programs would be lost, denying instruction to approximately 1,050 full-time students. In addition to these vocational program losses, a cut in subpart 3 funds would result in over 25 percent less vocational guidance services. This loss means that 2,100 full-time students will not have adequate vocational guidance opportunities.

The total dollar loss to Kentucky would represent approximately $3,408,690 in Federal funds no longer available for vocational education. This decrease will cause a loss of services to approximately 183,000 students who are currently being provided vocational education opportunities.

I have tried in a very short period of time to present to you the effects the reductions in Federal dollars would have on programs in Kentucky. Attached to my written testimony are specific impact statements on vocational education and child nutrition for the record.

In closing, I would like to emphasize the fact that State and local dollars are not available to offset any Federal reductions in funds. The facts are clear: If Federal funds are reduced, current programs in elementary education and second education, child nutrition, and vocational education will, out of necessity, be reduced.

As you know, in addition to these, Thursday of this week, I had to reduce my State budget by $49.9 million. With this impact coming in addition to that, there is just no way that we can make up for this loss.

[Material submitted by Raymond Barber follows:]

IMMEDIATE AND PROJECTED IMPACT OF FEDERAL BUDGET CUTS ON VOCATIONAL EDUCATION IN KENTUCKY

Vocational education is an extremely important part of the educational enterprise in the State of Kentucky. The dropout rate of the schools in the State of Kentucky currently exceeds 35 percent. Less than 25 percent of our elementary and secondary students go to college. Less than 15 percent of the jobs of the future will require training at the baccalaureate degree level. This makes vocational education not only extremely important to the educational system in Kentucky, but the nation as well. We have been fortunate in Kentucky in that we have been able to develop a rather comprehensive system of vocational education. We currently have a system of state vocational-technical schools and area vocational education centers that completely blankets the State. This system includes 16 postsecondary state vocational-technical schools and 72 area vocational education centers. We now have a vocational education facility within 25 miles of every citizen in the Commonwealth. Our enrollment has grown steadily since 1970 from a total of 127,783 postsecondary, secondary, and adult students, to a total of 297,580 postsecondary, secondary, and adult students in 1980. We feel we have a wide range of programs that can address almost any occupational area for which training is needed. This includes traditional occupations in agriculture, home economics, business and office, industrial education, distributive education, and health, and includes such speciality programs as equine education, mining occupations, word processing occupations etc.

While I am sure our program is not unique in the country, we do want to stress that it is comprehensive; that we are committed to quality vocational training. We are committed to serving business and industry as well as serving the needs of individual students including those who are disadvantaged and handicapped. It is also important to make the point that the development of this system has been largely due to the amount of federal money that has been devoted to this effort.

This federal funding has included the Appalachian Regional Commission, Economic Development Act, and funds appropriated through the Federal Vocational Education Acts.

While we have enjoyed a significant amount of federal funding in the vocational education program, these funds have steadily declined since 1970 to their current status. Let me illustrate—In 1970, we received approximately $57 per student of federal funding in vocational education. In 1980, we received approximately $40 per student in federal vocational education funding.

There appears to be a myth that exists among many policy makers that vocational education will not suffer from further decline in federal funding. This simply is not the case in the State of Kentucky. Our current budget status is such that in the 1980–81 fiscal year, we had to trim approximately $2,768,000 in state funds from the vocational education budget. This represented approximately 7.62 percent of the state funding in vocational education. This was required due to a shortfall in the state's budget. From January 1, 1980, to January 1, 1981, we had to reduce personnel in the Bureau of Vocational Education by 212 employees. We have accomplished this reduction without reducing the number of teachers and without reducing services to students. Our overall state budget shortfall was $114 million in 1980–81 and is projected to be $185 million in 1981–82. This is obviously going to create a situation where the state budget will have to be cut more next year than it was this year. While we have been able to reduce staff and to cut budgets to this point without significantly reducing services to students, the budget situation is such that that will no longer be the case. Any further cuts in funding to vocational education, whether it be federal, state, or local funds, will result in a corresponding cut in the number of programs and services to students. The effect will be severe even if the only cut were in federal funding.

We have made some projections on what effect these federal cuts will have: For local school districts, if the proposed 25 percent cut to vocational education becomes a reality, it could result in seriously reducing short-term training opportunities for up to 21,000 adults being served by local school districts by cutting over $130,000 from their budgets. The total secondary vocational program (high schools) would also be affected in that almost $750,000 of federal funds would no longer be available to local school districts for the purpose of equipment, supplies, materials, and other instructional services for the approximately 160,200 secondary students.

In the state-operated vocational schools, $1,450,000 will be lost if the 25 percent cut occurs. This would mean that 58 vocational programs could be lost, denying instruction to approximately 1,050 full-time students. In addition to these vocational program losses, a cut in Subpart 3 funds would result in over 25 percent less vocational guidance services. This loss means that 2,100 full-time students will not have adequate vocational guidance opportunities.

The total dollar loss to Kentucky would represent approximately $3,408,690 in federal funds no longer available for vocational education. This decrease will cause a loss of services to approximately 183,765 students who are currently being provided vocational education opportunities.

Let me give you a couple of specific examples of the kinds of needs that we currently have: Just last week, a parent from Lexington, Kentucky called our office seeking assistance for his son. His son had dropped out of high school prior to graduation and had been attempting to obtain a job. He had been told by a prospective employer that if he were able to operate a technical piece of equipment in this industry, he could be employed. However, he did not have this technical skill. He went to the Central Kentucky State Vocational-Technical School to inquire about enrolling in the industrial education program to learn the technical skills needed to obtain a job. He was told that they would be happy to place him on the waiting list, but it would be 2 years before he would be able to enroll in the program. This is not at all an uncommon occurrence throughout the vocational schools in the State of Kentucky. With additional funding, second-shift programs could be operated in most state vocational-technical schools.

Another example: In Edmonson County, Kentucky, a new high school has recently been completed. This school includes a vocational education department. Edmonson County has one of the highest unemployment rates in Kentucky. In December of 1980, it was 24 percent and has consistently run nearly 3 times the state average. With a significant amount of state assistance, Edmonson County has been able to construct a new high school with 5 vocational programs, of which 3 have been equipped with federal/local funding. However, they now have 2 vocational laboratories with no equipment. They will be ready to start school in the new building next Fall and at this point, have no way of buying equipment for their welding program or auto mechanics program.

As I indicated earlier, we have developed a comprehensive system of vocational education in Kentucky and have been able to build these facilities and equip them because of amounts of money made available, not only by the federal government, but also by the state government. Now that budget cuts are being proposed and are becoming a reality, the funds simply are not available to equip these two shops. Many industries are moving into the Bowling Green area and there is every reason to believe that employment will improve in that area, including Edmonson County, but the employers simply are not willing to employ unskilled workers.

Immediate and Projected
Impact of Federal Budget Cuts
on
Kentucky's Child Nutrition Programs

For the current fiscal year Child Nutrition Programs in the state of Kentucky have already sustained a 4.8 million dollar cut based on federal budget reductions effective January 1, 1981. Based on our understanding of specific additional cuts proposed for fiscal year 1982, it is projected that the programs will lose an additional 25.5 million federal dollars or a 41 percent reduction in federal funds. These losses are detailed in an attachment.

These cuts will have a definite negative impact on the food service programs in the Commonwealth, specifically:

1. Kentucky's average charge to the paying child is currently 70 cents. If Section 4 funds and donated foods are eliminated on behalf of the paying child, many of thse same children will be"priced"out of the program since parents will be unable to bear a lunch price of $1.00 - $1.10. This 35 cent increase is based upon the present Section 4 rate of reimbursement and value of donated foods received.

2. Fifty-five percent of all participation statewide is to paying children, and any reduction will have an immediate effect on the local district.

3. If the proposed budget cut to the paying child is sustained, we estimate that a 10 percent reduction in participation will cause 256 full-time school food service employees to lose their job.

4. The elimination of Section 4 funds to the paying child would have a great impact on State Matching monies made available to local school districts since the total is predicated upon Section 4 funds received by the state.

The above reduction in federal dollars for this program and the subsequent decline in "paid" participation will have a snowball effect by driving up the cost of providing all meals. Currently the average cost to produce a lunch in Kentucky is $1.05; this figure does not include the donated food amount of .1350 per lunch which means that the total true cost of a school lunch is $1.18. A certain percentage of this is fixed overhead which means that any time participation decreases the amount of overhead per lunch increases. It is for this reason that many schools will have to strongly consider withdrawing from the program and thus deny the benefits of nutritious school meals to all children including the "truly needy" if these proposed budget cuts become a reality.

Allow me to cite some specific examples of how a 20-30 cent increase in price to the paying child has affected participation:

1980-81 School Year

A. A district increased their lunch price from 50 to 70 cents and had a net 9 percent reduction in participation. (This net loss takes into consideration any change which the district had in enrollment for the comparable period.)

B. A district increased their lunch price from 55 to 75 cents and had a 5 percent reduction in participation.

C. Another district increased their lunch price from 30 to 60 cents and had a net 9 percent reduction in participation.

D. On the other hand, a district increased their lunch price from 65 to 85 cents and had a 4 percent reduction in participation even though enrollment INCREASED.

E. A similar district increased their lunch price from 60 to 90 cents and had a 10 percent reduction in participation even though enrollment INCREASED 3 percent.

Traditionally the charge to the paying child has been kept as low as possible with any difference between the cost and the charge to the paying child being borne by a positive balance or local board funds. Both of these sources have been depleted. There is no accumulated bank balance to tap nor do boards of education have unobligated dollars which can be allocated to the food program.

This places school food service programs in the untenable position of being required to manage the program at an absolute break-even point which dictates that the paying child must fully be charged a cost that will cover the entire cost of the meal even though in all probability it will mean that we are overtly pricing these students right out of the program.

It would seem to me that this is one federal program that benefits a major portion of the population and has as a goal the "common good" rather than a specific narrow special group. For this reason I submit that the basic lunch reimbursement (Section 4) be maintained on behalf of all school children. I further offer for your consideration the premise that there are constructive changes or modifications to existing regulations which USDA could make which would translate into the saving of federal dollars. Specifically I offer the following possibilities:

1. Extending the offer versus serve provision of lunch to more grades.
2. Permitting portion sizes to be varied for breakfast, particularly in the vegetable/fruit component.
3. Reevaluating the "severe need" breakfast reimbursement structure.
4. Reevaluating the monitoring requirements of the child nutrition program.
5. Exploring the possibility of schools being able to earn reimbursement based on a standard meal cost rather than actual cost. This one refinement could possibly reduce the per meal cost by five to ten cents, and is already operational in the Child Care Food Program in family day care homes.

Thank you for allowing me the opportunity to relate my feelings on this important school program.

3-10-81

CHILD NUTRITION PROGRAMS
PROJECTED LOSS IN FEDERAL FUNDS AND COMMODITY ASSISTANCE TO KENTUCKY (FY-82)

1. Elimination of entire subsidy (Section 4 and Commodities) for paid lunches.	
$ .1775 (average Section 4 rate) X 48,750,643 paid lunches =	$8,653,239.00
$ .1350 (Commodity rate) X 48,750,643 paid lunches =	6,581,337.00
2. Reduction by one-third in the special cash assistance (Section 11 and Commodities) for reduced price meals.	
Total cash assistance -- $ .3525* X 7,051,287 (Reduced Price Lunches) =	2,485,579.00
Total commodity assistance -- $ .0550** X 7,051,287 (Reduced Price Lunches) =	387,821.00
3. Elimination of basic reimbursement for school breakfasts served to paying students.	
$ .1475 (rate) X 4,491,746 (paid breakfasts) =	662,534.00
4. Elimination of funding for Food Service Equipment Assistance Program --	239,069.00
5. Elimination of cash assistance for snacks, paid meals, and reduced price meals in the Child Care Program --	783,434.00
6. Elimination of Nutrition Education and Training Grant --	224,508.00
7. Elimination of Special Milk Program in all schools which participate in one of the Child Nutrition Programs --	4,069,300.00
8. Elimination of Summer Food Program for children --	1,435,104.00
Total loss of federal funds and commodities to Kentucky --	$25,521,925.00***

All projected reductions are based on current rates of reimbursement.

*This represents the difference between the current average rate of reimbursement for reduced price lunches (.8625) and the administration's proposed rate for reduced price lunches (.5100).

**This figure represents the difference between the current per meal allocation of USDA commodities (.1350) and the administration's proposed per meal allocation for reduced price meals (.0800).

***For comparison, Kentucky distributed a total of $61,909,0[illegible] in federal funds during FY-80.

Chairman **Perkins**. Do you think it makes any sense, Mr. Superintendent, to cut back vocational education 25 percent when President Reagan talks about reviving the economy? How do you analyze those statements in connection with this proposal?

Mr. **Barber**. First of all, it does not make any economic sense to me, because if when you have people unemployed and cannot go out in the world of work and get a job, that causes additional expense on the welfare rolls and lawsuits in courts and correctional centers and what have you.

I may point out one thing that we here in Kentucky see the real value of vocational education. We have only 40 percent of our youngsters that graduate from high school to go on to institutions of higher learning; 37 percent of those that enter the 1st grade do not finish the 12th grade. So we really need a vocational program to pick up that segment of our population that for one reason or another drop out of high school or they choose not to go on to an institution of higher learning after they graduate from high school.

So if we are going to have a healthy economy in the State of Kentucky, we must have a good postsecondary vocational educational program. So it means vocational education in Kentucky—and I do not think we are peculiar to other States—is very important to the economy of the State.

Chairman **Perkins**. Regarding the 25-percent cutback in vocational education and the cutback of 25 percent in title I and the handicapped program, and in view of what you have stated about the State's financial plight, do you feel that the State can make up for these cutbacks that are being proposed in Washington?

Mr. **Barber**. No, sir, we cannot. There is no way that we could make it up.

Chairman **Perkins**. Do you have any proposals for new vocational education buildings in various sections of the State where we have inadequate facilities?

Mr. **Barber**. Yes, sir, we have on our list of construction at this time, at Ashland, the expansion of the school there; expansion of the one at Elizabethtown; diesel mechanics program at Somerset, the expansion of the facilities in Bowling Green and various other places; in Bell County, construction of a health facility program there.

So we do have through the building authority, we do have the potential of expanding these. But if we do not have money to operate the programs, why have the bricks and mortar if we do not have the money for the programs?

Chairman **Perkins**. Now, getting back to the school lunch program a moment, if the average cost of a lunch goes up by 35 to 50 cents a day per child, do you believe that any schools in the State may have to close down their lunchrooms?

Mr. **Barber**. We feel sure that there will be a number of lunchroom programs be closed.

Chairman **Perkins**. And I take it from what you State about your financial plight, that the State and school districts will not be able to pick up this extra cost?

Mr. **Barber**. No, sir, they will not.

Chairman **Perkins**. And if not the State, will middle-class parents, in your opinion, be able to pay this extra cost?

Mr. **Barber**. No; they will not. And another danger that I do not think I have heard addressed, whenever we put furnishing matching funds as supplemental to the lunchroom program, then we lose control of the balance of the nutrition program to make sure they can share whatever they want to.

Chairman **Perkins**. Mr. Hawkins, go ahead.

Mr. **Hawkins**. Mr. Barber, the premise upon which the cutbacks have been made has been that if the money which flows from the Federal Government to the local governments is not earmarked, that you would be able to effect efficiencies and to use the moneys as you think that it can best be used; that is, use it much more efficiently.

You have testified that the economic impact is adverse. The only other possibility that you could in any way gain or continue at current levels, would be the various waste or mismanagement or inefficiency at the local level.

Do you see in any way that you would gain anything by receiving Federal moneys which were not specifically earmarked—that you would in any way be able to better handle it so as to offset the losses that will be obviously included because it will be 25 percent less in volume.

Mr. **Barber**. Because if we cut the—and I have advocated this all along, we need less guidelines and less regulation—oftentimes, the law is not too bad, but then you get to the Federal guidelines and so forth, it is pretty restrictive. We give 1½ percent for administration of the title I program, which is not a top-heavy percent, for administration. I think if there is a reduction, there will have to go along with that a relaxation of the accountability of the funds.

Now, no district would not want to be accountable for the funds. But some of the regulations that we do have are very restrictive and cause additional administrative work at the local level and State level, yes. So I have always said we can give more education dollars out of—and the more nutrition dollars—out of the moneys if the Federal guidelines could be relaxed. And I would hope that the Congress, in dealing with this budget reduction, will produce significant—I think that will be a reality this year; we are going along with the Reagan forces to relax those guidelines to some degree.

Mr. **Hawkins**. Yes; but let's assume that they are relaxed——

Mr. **Barber**. Yes, sir.

Mr. **Hawkins** [continuing]. And that some of the regulations that at least you construe to be unnecessary are modified. Will the losses that you are describing to us in terms of the layoffs, in terms of the cutbacks in educational services for the handicapped, for school lunches, title I programs, and so forth, would they also necessarily be cut back, even though you have received less restrictive guidelines? In other words, is that the difference?

Mr. **Barber**. Yes; because naturally, there will be some savings, you know; you get by with less dollars if you have less guidelines. That is just a fact of life. There would be less administration in some of the programs in what now exist because it will not be necessary for guidelines. So you can shift some of those savings over into programs in our educational programs.

But a 25 percent or 30 percent, you are not going to save that much money, and it will still have a devastating effect upon the economy.

Mr. **Hawkins**. Would you call the guidelines that are imposed upon you, the mandates, let's say, would that be 5 percent of the 25 or 10 percent of the 25 or what?

Mr. **Barber**. I would say 10 percent of the 25.

Mr. **Hawkins**. 10 percent. So you would still have at least a 15-percent loss?

Mr. **Barber**. Yes, sir.

Mr. **Hawkins**. Thank you.

Chairman **Perkins**. Secretary Bell has stated that administrative costs in these programs is 13 percent. And therefore, a block grant with a 25-percent cutback really will not hurt the program that much.

Now, are your State and local administrative costs running at 13 percent? Yesterday, Michigan State Superintendent Runkel stated that in Michigan their administrative costs were only about 2 percent. What does your administrative cost run?

Mr. **Barber**. About 1½ percent, we would think.

Mr. **Hawkins**. Well, you could not then very well have an increase in efficiency of the amount that you indicated, even as much as 10.

Mr. **Barber**. That's 1½ percent at the State level, the administrative cost.

Mrs. Kimbrough is here—is Mrs. Kimbrough here? Come over here. Do you have a figure on the administrative costs overall?

Mrs. **Kimbrough**. Those were all county, local agency costs, State agency costs. It is not for the 9.2 percent in the State——

Mr. **Hawkins**. Well, some of that would still be required even though the regulations are relaxed, and let's say you get the money with no strings attached, there would still be some administrative costs. You are saying overall at the present time it is 9?

Mrs. **Kimbrough**. Yes, sir. Even with what people have so-called restrictives, but with unnecessary regulations it is still running 9 percent. I would like to point out that while it sounds great to talk about reduced regulation, we know that even if we get block grants that we are going to have some kind of regulations that the State agency is going to have to deal with and that the local education agency is going to have to deal with.

And I would suggest that this needs to be taken into consideration when we are talking about reducing funds. It has not been traditional in this country for school districts to receive Federal funds without receiving regulations for administration monitoring evaluation.

Mr. **Hawkins**. Well, the only other alternative would be that there is a lot of waste and mismanagement, and that somehow if you eliminate that, that you will be able to better use the money.

Now, do you have any evidence that there is such widespread waste and mismanagement?

Mrs. **Kimbrough**. No, sir, we do not.

Let me talk about the title I program in particular. The title I program is so strictly regulated at this point that there is not any leeway for waste, fraud, and mismanagement in the program. The title IV program, if administered according to the guidelines set forth by the Government, is managed to the point that there is no leeway for waste, fraud, and so forth in that program.

Currently, our State educational agency is conducting title I audits throughout the State, and there has been hardly any evidence at all of waste, fraud, or mismanagement found. There has been none to speak of.

Mr. **Hawkins**. Thank you.

Thank you, Mr. Chairman.

Chairman **Perkins**. Mr. Kildee.

Mr. **Kildee**. Thank you, Mr. Chairman.

Just one question. You are the chief State school officer for the Commonwealth of Kentucky.

Mr. **Barber**. Yes.

Mr. **Kildee**. President Reagan tells us that this 25 percent cut for vocational education can be absorbed by State and local funding. You indicate that that is not the case at all.

Mr. **Barber**. It is not possible in Kentucky.

Mr. **Kildee**. Did Mr. Stockman or anyone at OMB consult with you before they told the Congress that there would be no loss to programs because the States could pick up the lost Federal funding?

Mr. **Barber**. No, sir, they did not.

Mr. **Kildee**. There was no consulation at all with the State school officers?

Mr. **Barber**. No; they did not check with us on these figures at all.

Mr. **Kildee**. They made that assumption on their own and not in consultation with you at all?

Mr. **Barber**. That is right.

Mr. **Kildee**. That is all I have, Mr. Chairman.

STATEMENT OF REDWOOD TAYLOR, HEAD OF THE OFFICE OF RESOURCE MANAGEMENT, KENTUCKY DEPARTMENT OF EDUCATION

Chairman **Perkins**. Mr. Taylor, do you want to say anything this morning in connection with the food services program? That 43-percent cutback, is it going to affect you any down here?

Mr. **Taylor**. Yes, sir. The way we have analyzed the situation, to go back to Mr. Barber's testimony here, if section 4 funds are eliminated, I am afraid that many districts will withdraw from the program. The paying child in Kentucky is the backbone of the program; they keep it going. And when you reduce section 4 funds or eliminate them, you price the paying child out of the program and the cost is going to be tremendous for the needy child; they are going to be out.

So many of them, we anticipate, will be looking at it and may be withdrawing.

Chairman **Perkins**. The administration is proposing not only eliminating the section 4 reimbursement funds, for the paying child, but also eliminating the commodities altogether.

Mr. **Taylor**. Yes, sir.

Chairman **Perkins**. So that jerks all the subsidies out from under the regular program.

Mr. **Taylor**. In Kentucky I would say that probably commodities are better utilized than some other places.

Chairman **Perkins**. The 15 or 20 cents worth of commodities that you are now receiving, because of the way the Government purchases in bulk, are in many instances worth a half a dollar, if you went to the frozen food counter and bought the same items?

Mr. **Taylor**. Yes, sir.

Chairman **Perkins**. And that's going to cause your price to jump from, what is it averaging, about 70 cents in Kentucky?

Mr. **Taylor**. Yes, sir. We'll have to go to $1.05, $1.10.

Chairman **Perkins**. So it will go up 60 cents on the average.

Mr. **Taylor**. I would suppose so.

Chairman **Perkins**. It'll go up to $1.25 on an average in Kentucky.

Mr. **Taylor**. Yes, sir.

Chairman **Perkins**. And I personally feel that will disrupt half of the school lunch programs in Kentucky, if not more.

Mr. **Taylor**. We have, in the documents attached to the statement here, we have some examples of what has already occurred in Kentucky where districts have had to increase the price to the paying child. We come with a 10-percent reduction every time it's increased. So we have knowledge of what will happen if we have section IV decrease.

Chairman **Perkins**. Without objection, all the prepared statements will be inserted in the record in toto. Leave us four or five copies of your testimony, and drop the rest on the table over there for the press, or in the rear of the room somewhere.

Mr. **Barber**. Mr. Perkins, I would like to point out one thing on the title I program.

Chairman **Perkins**. You go ahead.

Mr. **Barber**. A youngster today in the State of Kentucky is scoring seven points above the national norm in the basic subject areas. Most all of our money in title I is concentrated in math and reading and we contribute a lot of the success that we've made in recent years in our test scores to the title I remediation program.

And of course you know that the nutrition program affects the ability of the youngster to learn also. You can't teach a youngster if he is sitting in a classroom with an empty stomach. So we feel that these two programs have contributed a great deal to the achievement level of our youngsters throughout the Commonwealth.

Of course, we think that we have one of the better programs in the Nation, but we would be opposed to see that make any regression. So we just want to make those points before we leave.

Chairman **Perkins**. Thank you very much, Mr. Superintendent. I'd like to ask Mr. Spillman if the area schools will be hurt by this 25-percent cut?

Mr. **Spillman**. Sure.

Chairman **Perkins**. Go ahead and explain it.

Mr. **Spillman**. OK. In Kentucky we have a system of State vocational and technical schools in area centers which are operated with the State department of education. And that system took a significant cut in State funding this year and it's absolutely a myth that any reduction in Federal funding will not affect those programs in Kentucky.

There probably was a time when, because of a lot of money being available, that, you know, a 10-percent cut would not have made that much difference, but it would mean just that many programs at this point, wherever they are cut. And the Federal funding goes into the operation of those schools and those programs have to be cut by that amount.

I would like to make one comment, if I could, about the regulations.

Chairman **PERKINS**. You go ahead and make all the comments you wish.

Mr. **SPILLMAN**. I think, in the case of vocational education, which is somewhat different from title I, the intent of the legislation was to get good planning and good accountability. And that is needed, whether you have Federal funding or not.

The problem is in the regulations and the way the regulations are written you end up with both poor planning and inaccountable accountability. You can't determine what you're doing from the reports that are required by the administration in Washington. So I think, you know, we could absorb a 10-percent cut without significantly affecting the programs if we get rid of the regulations first. But it's extremely important that that come first, not 3 or 4 years after the budget reductions have been made.

I think some of the planning and accountability that's built into legislation is necessary whether you are funding it with local money, State money, or Federal money, but we've got to make sure in administering that program that we don't end up with planning requirements that don't make any sense.

Chairman **PERKINS**. Well, we're going to have to get rid of all unnecessary regulations.

Did you wish to make another comment, Mr. Superintendent?

Mr. **BARBER**. No, sir.

Mr. **HAWKINS**. Mr. Chairman.

Chairman **PERKINS**. You go ahead, Mr. Hawkins.

Mr. **HAWKINS**. Could I ask Mr. Spillman a question? Mr. Spillman, in connection with the Comprehensive Employment and Training Act, the proposal made by the administration is not only to eliminate the public service jobs, but also title IV will be reduced and title III and some of the other titles which directly impact on youth.

Do you see any losses that would be sustained by these titles being reduced and in some cases eliminated? Would they impact on your particular schools?

Mr. **SPILLMAN**. Yes, sir. There are two large programs in connection with area centers and State schools that we work with CETA on. We have an excellent working relationship with the CETA prime sponsors and the Bureau of Manpower Services in Kentucky in working with the CETA program.

One program is the Summer Youth program that we've been operating very successfully across the State where we bring in the youth, CETA-eligible clients, and put them through an orientation program during the summer months when our schools might not be in use otherwise, when secondary schools are closed. And that gives a good opportunity for these people to determine what they want to come back during the school year and study, what jobs they want to prepare themselves for.

That program would be reduced significantly, if not eliminated. We think it should go the other way. In fact, we're making plans to expand that program this year, hoping money will be available this summer.

Mr. **Hawkins**. Does that lead specifically to career building? The charge has been made that CETA is filled not only with waste, mismanagement and all the other things, but also it leads to dead-end positions, that it make work and that it is not related in any way to useful career building. Has that been the experience that you've had?

Mr. **Spillman**. No, sir. Our—we have two levels of CETA programs, that one being exploration. And it has been very useful in helping these people to determine where they want to go with their life and what kind of jobs they want to prepare for. Now that program is not designed to prepare them for employment. It's designed to help them determine what area they want to be prepared in.

The second component of the CETA program is to prepare people for employment. And we've had at least as high a placement rate in that program as in our regular vocational programs. And we don't distinguish very much at all between those two programs. In many cases we mix the students in the same shop, and CETA just, in effect, buys slots in our schools. We pay for slots in the schools.

One of the things that we're committed to is that the CETA client is an eligible recipient of vocational training the same as any other client. We have a responsibility to provide that training. But the CETA funds just make more training available and make it more possible for those people.

Of course we don't deal with the stipends in any fashion. You know. We don't have any part of that. We just do the training—the training component. So the CETA funds increase our capacity to deliver vocational education and assure those people a slot in the training programs.

Mr. **Hawkins**. Thank you.

Chairman **Perkins**. What worries me, Gus, is that we have hundreds taking CETA training now who otherwise would not be able to pay their expenses to get through school.

In Hazard, Ky., I know of numerous people from my own community. We're going to jerk the rug out from under all those that are already in programs if these proposed cuts were to go through. And it's a horrible thing to think about. We must educate the public against it, which we're trying to do.

Go ahead, Mr. Kildee.

Mr. **Kildee**. Just on that point, you mentioned that CETA in a sense buys slots or purchases service within a program. If CETA is cut, along with the 25-percent cut in vocational education, the certain program could have a double jeopardy placed on it and that program might be lost then?

Mr. **Barber**. It's possible, yes.

Mr. **Kildee**. Thank you very much.

Mr. BARBER. Mr. Perkins, I would like to say that I speak for the educational community. We appreciate this committee coming to Kentucky, listening to us, and getting our views and input into what you are attempting to do. We appreciate it very much.

Chairman PERKINS. We are delighted to be here, and we hope to have an excellent hearing here before the day is over. You people have been very helpful. You've made a great statement for us this morning.

Drop your statements around where the reporters can pick them up when they get in here later.

Panel One is Mr. Bobby Joe Whitaker, superintendent of Montgomery County; Mr. Eugene Sebastian, superintendent of Breathitt County; Ms. Joyce Dotson, president of the Kentucky Education Association in Louisville; Mr. Vesper Singleton, principal of Carr Creek Elementary School, Hindman; Mr. Elwood Cornett, Kentucky Valley Educational Cooperative, Hazard; Ms. Suzanne Waldrop, home economics teacher, Barren County High School; Mr. Bill Evans, director of the Jefferson Vocational Education Region in Louisville, Ky.

Come around this morning, ladies and gentlemen.

Is anybody here in place of Eugene Sebastian from Jackson, Ky., this morning? All right. We will proceed. We will hear from you first, Mr. Whitaker, from Mt. Sterling. Go ahead, Bobby Joe.

STATEMENT OF BOBBY JOE WHITAKER, SUPERINTENDENT OF SCHOOLS, MONTGOMERY COUNTY, KY.

Chairman WHITAKER. Thank you, sir.

Mr. Perkins, I appreciate this opportunity to comment on the effects some of the planned budget cuts in President Reagan's economic recovery program might have on our local school districts here in Kentucky. This morning I'd like to focus my comments on vocational education and child nutrition, but, with your permission, would also like to touch on the need to continue the current level of funding for some other educational programs, including adult and community education.

Chairman PERKINS. Go ahead.

Mr. WHITAKER. Finally, I have included in my written comments a list of Federal projects and grants that are operating in the Montgomery County schools during the current fiscal year. To eliminate or substantially cut these programs would drastically affect our local economy, since they employ a total of 104 workers, not counting the services to the participants in these programs, and they also would inject approximately $1,388,000 into the local economy.

In the area of vocational education, a sampling of job applications in the Maysville and Moorehead Manpower Office shows that less than one in four applicants have vocational training of any kind. On the average, only 17 percent of the adults in our region, which is region 9, including Montgomery County, has any kind of vocational training.

In the 1978 sample, an astonishing 187 adults out of 212 postsecondary vocational students got jobs which does support the belief that vocational graduates do find jobs that in turn contribute to the economy. This is just in one of several regions in Kentucky.

It should be noted that even as minute as the funding to vocational education in region 9 in Kentucky has been, some impact has been accomplished by piggy-backing postsecondary training into secondary for high school facilities. The devastating budget cuts proposed by the present administration will virtually halt the progress that has been made.

This means that, with industry moving into the region at a rapid rate, the work force cannot and will not be ready to make a positive contribution to the newly proposed economy.

During the past 12 years the work force in Montgomery County has evolved from one that was virtually agriculture to one that is now comprised of 52 percent factory workers. This transition has placed a tremendous demand on our local school system to provide sound vocational programs. Vocational education is just now beginning to meet the training needs of this large group of workers. The proposed 31 percent cut for vocational education will virtually destroy whatever effectiveness local schools have had on preparing the work force for industrial employment.

It should be remembered that less than 20 percent of all secondary graduates in Kentucky attend college and that the remaining 80 percent would constitute the industrial work force in the 1980's and 1990's, and they cannot effectively contribute to the economy with only a simplistic basic educational preparation.

In the area of school nutrition, the proposed $1.65 billion from the $3.7 billion 1981 appropriation for school nutrition will place a substantial added burden on our low income families who are least able to pay for their children's meals. It has been estimated the cut will add $72 per year per child to the family budget. The likelihood that the already stretched State and local budgets can pick up any of this extra cost is nil.

Second, the expected decrease in the total number of meals served daily because of the decrease in the number of children who cannot afford to eat will increase per-meal costs for all families, since we will have to buy in smaller quantities and the food will have to be purchased from higher cost sources.

Third, clerical costs associated with the nutrition program will rise because the administration would require us to survey 10 percent of the parents to determine new family income guidelines. This would also throw the schools into an investigative role, which is sure to intrude upon the family privacy, besides creating a enormous paperwork burden.

Finally, the surplus food of an agricultural origination that has been so effectively used in the past to combat malnutrition amongst our deprived children will evidently cease. This, too, will serve to shoot the price of school meals skyward.

I'd like to speak very briefly here concerning a program that's in practice all over the State of Kentucky but is especially a high priority concern in Montgomery County, and that is adult education.

In Montgomery County, 4,796 students over the past 25 years have not completed the eighth grade. This represents about 49 percent of the adult population that desperately needs basic education. This translates into 25,568 adults in the 10 counties that make up vocational region 9. The median educational level is less than ninth grade for our entire region.

In any given year, 53 adults in Montgomery County have no education and 1,458 adults have less than a seventh grade education. Only 34 percent of the adults have completed high schools. For 275 high school seniors who graduate in Montgomery County another 150 adults receive GED certificates annually.

Even though Montgomery County has the largest rural adult education program in the State of Kentucky, present funding allows us to serve only about 300 adults per year of the approximately 4,796 adults in our county who have less than an eighth grade education. At this rate, even without the pool being replenished with a constant in-flow of school dropouts, it would take 16 years to overcome the illiterate and functional illiterate cases in our single county.

The annual cost per adult for adult education this year—1980-81—will only run $200 per student. Each $200 cut from the budget will eliminate one student who, by obtaining a GED certificate, is usually able to obtain a job or a better job, which in turn places him or her in a tax contributing status to government and very often sets in motion a double savings by removing him or her from the welfare system. In addition, drastic cuts in the current level of funding for adult education would eliminate at least 10 educational jobs in Montgomery County.

And, finally, in the area of community education, which ties very closely with our adult education, we feel that it is one of the most promising and most economical vehicles for simultaneous delivery of educational and social services to the people in rural areas through community education. The concept calls for maximum utilization of schools and other public facilities. It promotes a low dollar cost for the delivery of human services through the cooperation of public and private agencies. It puts government services at the doorstep of the recipient, which is also the most economical in an energy-conservative way to deliver these services.

Montgomery County schools have proven that people will use their school buildings and that adults will return for training if the buildings and programs are made available. For example, during the fall semester of 1980-81 school year over 2,600 persons out of a population of 17,000 participated in community education programs. Another 4,000 persons used the buildings for a multitude of community and family functions.

Numerous health, cultural, recreation, and educational services were provided through this approach. Unfortunately, the concept is relatively new and is in an experimental stage and probably could not survive if the small amount of Federal seed money which is budgeted this year was cut out or drastically reduced.

I've included along with my testimony this morning, behind this, all of the programs that are federally funded in Montgomery County and have outlined what kind of program, the dollar amounts, and what services are rendered.

Thank you, sir.

[Material submitted by Bobby Joe Whitaker follows:]

MONTGOMERY COUNTY SCHOOLS

Federal Programs

1980-81

Priority

1. Program: Public Law 89-10 ESEA Title I
Amount: $301,466.00 for fiscal year 81
Function: (1) Compensatory remedial reading for approximately 700 Montgomery County students;
(2) Supportive guidance program for same students;
(3) Supportive attendance program for same students;
Employment: Provides salaries for (1)11 full-time reading teachers (2) 11 teacher aides (3) 1 Director (4) 1 secretary (5) partial salary for guidance personnel.

2. Program: School Food Services
Amount: $413,611.00
Function: (1) Help provide quality Type A breakfast, lunch, and milk program for Montgomery County students;
(2) Furnish free breakfast, and lunch for approximately 1,500 Montgomery County students who are unable to pay;
(3) Furnishes reduced price breakfast and lunches for approximately 250 Montgomery County students of low income families;
(4) Aids in the purchase of equipment and supplies for all the lunchrooms.
Employment: Assists in the employment of 50 cooks and 1 School Food Service Director.

3. Program: Elementary and Secondary Education Act - Title VI B (Handicapped)
Amount: $95,238.00 for fiscal year 1981
Function: Funds assist the Montgomery County School District in the costly education of 468 physically and mentallv handicapped children, ages 5 through 17.

4. Program: Project 087-435 - Title I Migratory Program
Amount: $114,531.00 for fiscal year 1981
Function: (1) Provides tutorial services for approximately 200 Montgomery County students who are academically "behind" because of frequent moves bv their parents to find employment;
(2) Provides 5 week summer school program for same students.
Employment: Provides employment for:
(1) 4 paraprofessionals
(2) 1½ Social Workers
(3) ½ Coordinator's salary
(4) ½ secretarv salary
(5) .1 salary for 5 guidance counselors

5. Program: Public Law 874
Amount: $8,667.00 for fiscal year 1981
Function: Assist school districts in the education of children of employee's of federal agencies that do not pay local taxes.

6. Program: Alternate Learning Grant
Amount: $25,000.00
Function: Funded through Kentucky Crime Commission to provide alternatives for students who have been to court or have been serious discipline problems in high school. Approximately 17-20 students per year receive the benefits of special instruction and counceling in an attempt to correct their behavioral and academic problems.
Employment: 1 teacher, 1 counselor, and 1 aide

7. Program: Community School
Amount: $32,000.00
Function: Financial assistance to Montgomery County Schools to keep school facilities open in evenings and weekends for use by the entire community.
Employment: Provides employment for 1 person.

8. Program: Adult Education
Amount: $70,385.00
Function: Provide assistance in instruction for adults who did not finish high school to enable them to earn a diploma.

9. Program: Public Law 874 - Low Rent Housing
Amount: Approximately $4,000.00 for fiscal year 81
Function: Assist school districts in the education of children living in government housing projects that are tax exempt.

10. Program: Vocational through State
Amount: $35,000.00
Function: Federal money through the state to assist districts in the expensive cost of providing vocational programs for students of high school age.

11. Program: Home Economics Related Occupations Grant
Amount: $64,000.00 for 1981 and 1982 fiscal years
Function: Special grant to Montgomery County schools provides funds to assist in the development and placement into gainful employment of needy students in the home economic related occupations such as child care and food services.

12. Program: Gifted and Talented
Amount: $25,200 for 1980-81, and $36,140.00 for 1981-82
Function: Federal money through the state to assist Montgomery County Schools in identifying and providing special instruction to students that are gifted.
Employment: 2 teachers

13. Program: Public Law 88-452 - Head Start
Amount: $33,500.00
Function: Provides instruction for 4 year old children from a socially and economically disadvantaged background to help them be better prepared to achieve in regular instructional programs. About 40 students per year are affected.
Employment: Provides employment for 5 employees.

14. Program: Ceta Industrial Training Grant
Amount: $90,736.00
Function: Provides vocational instruction for unemployed adults to provide them with the necessary skills to become employable. Pays students to attend.

15. Program: Public Law 93-380 - ESEA Title IV B
Amount: $11,671.00
Function: Provides financial assistance to supplement Media Centers (libraries) in the purchase of books and materials.

16. Program: In-School Youth
Amount: $22,630.00
Function: Provides financial assistance through employment for students enrolled in school who are in need of this assistance in order to remain in school.

17. Program: Public Law 93-380 Title IV C
Amount: $10,980
Function: Financial Assistance to school districts to develop new and innovative programs. Used by Montgomery County Schools to participate in computer services.

18. Program: Displaced Homemaker
Amount: $1,000.00
Function: Provides financial assistance to enable adults who are widowed or divorced to enable them to earn the skills to become employable.

19. Program: School Auxiliary Grant
Amount: $16,350.00
Function: Provides financial assistance to employ counselor-aides to work in schools as a go between schools and home to keep students in school.

20. Program: NJROTC
Amount: $10,000.00
Function: Provides half of instructor's salary plus other reimbursements to school districts for operation of Naval Junior Reserve Officers Training Program.

21. Program: Public Law 89-313 - Handicapped
Amount: $1,499.00
Function: Financial assistance for instruction of handicapped students.

22. Program: Public Law 93-380 ESEA Title IV C
Amount: $1,400.00
Function: To assist school districts in staff development.

Chairman **Perkins**. Thank you for an excellent statement.

To conserve time, we will withhold questioning until the entire panel testifies.

Our next witness is Mr. Jon Henrikson, vice president of the Kentucky Education Association, Louisville.

STATEMENT OF JON HENRIKSON, VICE PRESIDENT, KENTUCKY EDUCATION ASSOCIATION, LOUISVILLE, KY.

Mr. **Henrikson**. I'm Jon Henrikson, vice president of the Kentucky Education Association and a social studies teacher at Whitesburg High School in Letcher County. Ms. Dotson was unable to attend the meeting.

Mr. Chairman, the Kentucky Education Association is pleased to have the opportunity to speak in support of Federal funding of education for the youth of this nation and to speak against any cuts in education appropriations which would deprive children of the educational opportunities they must have in order to survive in a democratic society.

The Kentucky Education Association understands that the proposed cuts in the President's budget for education would eliminate funds for Kentucky students of at least $40 million. These kinds of cuts, coming on top of State cuts in educational funding because of the shortfall in State revenue, would be disastrous to the children of this State.

Under title I of the ESEA Act, 150,000 educationally deprived, disadvantaged, and handicapped children in Kentucky are being helped in 1981 with a grant of nearly $62 million. Title IV ESEA, support and innovation programs, provides assistance to local educational agencies in innovative programs, school libraries, and instructional material. In Kentucky, this amounted to nearly $6 million in 1981. Program funds for education of exceptional children, part B, provides assistance to local districts in their efforts to provide full educational opportunities to handicapped children with special needs. In 1981 these grants to Kentucky amounted to nearly $15 million.

In Kentucky, a 25-percent reduction in these funds would be very detrimental and would have a dramatic effect on children.

We understand that title B of the impact aid programs will be eliminated and that title A programs will be cut 25 percent. This would be devastating to school districts where large governmental facilities are located but no "in lieu of" money is paid to local school districts to help educate the children whose parents are employed on such projects.

These Federal programs have been very effective in helping children in their academic achievements. This is borne out by the fact that on national standardized tests Kentucky children rank above the average in achievement scores, even though we are far below the national average in economic standing and money spent per child for education.

Reductions in school lunch programs may cause many children to go hungry and suffer from malnutrition, which not only affects their health but affects their ability for academic achievement.

We are also concerned with the proposal to eliminate the 99 teacher centers which serve over 400,000 teachers. Three of the teacher centers are located in Kentucky—a Paducah, Owensboro, and Franklin County. The purpose of the teacher center is to improve the quality of instruction for children. This is done by providing training to improve instructional skills, familiarize teachers with the latest developments in curriculum, and educational research, including the manner in which research can be used to improve their teaching skills.

In the Paducah center alone, during the first few months of school, 1,400 teachers were served. We would hate to see this valuable resource for instructional improvement eliminated.

The Kentucky Education Association, along with the National Education Association, believes that education is a fundamental right for all children in a democratic society; that all children must have an opportunity to develop their full potential in order to be productive citizens. Since there is so much difference in the ability of the various States to fund education adequately, we believe that the Federal Government, with its vast resources, should shoulder a larger percentage of the funding of public education but leave the control of education at the local and State levels.

Mr. Chairman, thank you for the opportunity to express the concerns of the Kentucky Education Association. We urge you and all Members of Congress not to cut the educational appropriations, but to increase the educational appropriations in order that all children may continue to have an opportunity for a quality education which will insure the survival of a free and open democratic nation.

Thank you.

Chairman **Perkins**. Thank you for an excellent statement.

Our next witness is a gentleman I've known many years, Mr. Vesper Singleton. He has been one of our outstanding principals in Knott County, Ky., for many years. Go ahead, Vesper.

STATEMENT OF VESPER SINGLETON, PRINCIPAL, CARR CREEK ELEMENTARY SCHOOL, HINDMAN, KY.

Mr. **Singleton**. Thank you, Congressman Perkins, and members of the committee.

Chairman **Perkins**. Pull your microphone up there a little closer.

Mr. **Singleton**. Thank you Congressman Perkins and members of this committee. I'm happy to appear before you this morning as a person who works in a school, with the immediate problem that you are working with as you visit Kentucky today. I think one only has to be in the school to realize the importance of the aid that comes to the public schools regardless of where it comes from. Very often we are too far removed from a situation to be able to understand the basic importance of what we are dealing with.

I come to you representing a school with approximately 660 students and a school system with some 3,600 students, and I must say that we depend on Federal aid in order to reach a level of adequacy in the program that we provide for our people.

As most of us can recall, over the years we think that the school lunch program is a basic part of our educational program. I think it is easy to understand that it is absolutely essential to provide basic health, and the school lunch program is basic health. Next to health, education is the next most important thing in life. If a youngster comes to school without adequate nutrition he is unable to be successful at anything that he may try to do during the day.

It would seem that it's extremely important to work toward providing a complete nutritional program for all of the people of this Nation if we are to expect to see the people of this Nation grow up with the things that they should have the opportunity to grow up with in a free society.

We have approximately 85 percent of our students each day participating in a nutritional program that is essential to successful work for them. This participation is based on Federal support that is absolutely essential to the success of the school program. We would not be able to provide a nutritional program that is adequate to meet the needs of our students in Knott County without the Federal support that we currently receive.

Many of our schools in Knott County presently operate near deficit conditions because the support as it exists now is not adequate. We have a number of schools that, because of the number of people involved in the program, are unable to provide the programs on the present level of support due to the number of people that participate. We would expect that Federal cuts in the school lunch program would have a devastating effect upon the education program of the youth of our county.

We have worked with State and Federal aid to prepare facilities that are adequate for the purpose of educating youth. And now we reach a time where we are proposing cuts that would allow these facilities to go unused and programs to be sacrificed to the extent that it would be a far-reaching thing in the future of this Nation.

Our students currently pay 50 cents for a school lunch. We estimate that the cuts that are proposed would increase the cost to well over $1 and possibly cut the participation as much as 40 percent. Our school lunch director advises that the proposed cuts would have a devastating effect upon the food service program of our schools.

In vocational education in eastern Kentucky and in our own school district of Knott County we have seen tremendous progress to meet the needs of the people in giving them the skills that they need to become productive American citizens who pay taxes and support the general welfare of the Nation. In particular, we have seen tremendous progress in the technical training programs that enable the industries—mainly the coal industry—of our region to train people to provide for the energy needs of this Nation.

The proposed cuts in vocational education would, there again, allow a lot of facilities to lie idle, programs to be disembowelled that are essential to the area and to the Nation in general. These facilities are adequate. The programs are becoming more adequate each year.

If we can continue to have increased aid to the food service programs for the public schools of our Nation, to the vocational training programs, we can see the progress that we would hope to see throughout this Nation.

It's a pleasure for me to appear here today and talk with you about the needs of our school system.

Chairman **Perkins**. Thank you for your excellent statement.

Do you have CETA participants that perhaps have dropped out of school? Not CETA employees, but that those take training under the CETA programs supported up there by the CEP program in our vocational schools? Has that worked well?

Mr. **Singleton.** We have seen numbers of people who, because of the Federal support, particularly in the vocational programs, have entered programs whereby they become trained and enter the work force in our communities, become productive citizens that we estimate would never have been able to hold a job and be taxpaying citizens.

The CETA work program in our area has been very successful in enabling people to continue their education.

Chairman **Perkins.** Mr. Cornett, go ahead.

STATEMENT OF ELWOOD CORNETT, DIRECTOR, KENTUCKY VALLEY EDUCATIONAL COOPERATIVE, HAZARD, KY.

Mr. **Cornett.** My name is Elwood Cornett. I'm the director of the Kentucky Valley Educational Cooperative, a voluntary educational consortium composed of Breathitt County, Knott County, Jackson Independent, Lee County, Leslie County, Jenkins Independent, Letcher County, Owsley County, Perry County, Wolfe County, and Hazard Independent, all located in the southeastern corner of Kentucky.

Mr. Eugene Sebastian sat with us as we prepared our statement and I assume that we could perhaps express his concerns here today.

Chairman **Perkins.** Fine. Vesper's likewise putting in an appearance, I assume, for Eugene, too. Go ahead.

Mr. **Cornett.** We have serious concern about the administration's recommended cuts in the budget that affect education. We support the proposition that Government spending must be controlled. We are willing to accept our reasonable share of the sacrifice. However, when you compare the cuts that concern education with the cuts in the Department of Interior, Labor, or Transportation, the difference is certainly alarming to friends of children.

Title I has made a difference, the cry of the critic notwithstanding. In our eight-county area the average grade placement of students leaving the eighth grade has improved significantly since the beginning of title I.

Title I has required us to involve the parents in the education process more than any other program. Title I has required us to consider the individual child when our thoughts are typically controlled by classroom units. In title I each disadvantaged child's needs are diagnosed and treatment applied. A reduction in title I funds will reduce services to those that need it most.

The regulations associated with title I have caused more criticism of title I than anything else. Educators everywhere are crying for fewer regulations. We echo that cry.

The vocational education program in region 12 has had a tremendous impact. State support for vocational education has already been reduced. There is no place left to cut without directly affecting students. It is estimated that approximately 150 upper grade students will be directly affected by the proposed cuts.

As the vocational program has expanded over the years the dropout rate has declined. No other program impacts on holding power like vocational education. If productivity is the problem it is purported to be in this country, it would appear that a reduction in vocational education support would be counterproductive.

We contend that a majority of our work force needs a skill, that a skill may be as valuable as a degree, that that skill needs to be learned on machinery that is not antiquated and from a qualified instructor.

Almost daily we read in reputable publications about undernourished Americans. All levels of society are affected. Many children of the affluent as well as the economically deprived do not regularly eat a balanced meal except at school. The proposed cuts will have a devastating effect on school nutrition programs. Already schools are finding it difficult to break even financially. Many small districts are in the red now, even though we are bidding food supplies on a regional basis to get the best price.

There is the alternative of raising the price of lunches. We have experienced a sharp reduction in participation as lunch prices increase. Teenage students are often low in participation anyway. The competition we face is junk food. When the students must pay more, many will turn to a pop and a candy bar. Our society as well as the individual will be the loser.

I want to mention the proposed cuts in title IV, part C, funds which I understand is about 68 percent. No other program has been easier for local districts to administer. The discretion left to the local level has permitted unique and innovative activities that have had a great impact.

We have utilized title IV–C funds to provide a vehicle for regional program development and management, for regionwide purchasing, for solving problems in a regional basis, and many other activities. Few dollars have gone so far. Savings realized by one district alone through regional purchase of lunchroom food and supplies exceeded the regional title IV–C investment.

In all of these, another item to consider, I think, is the fact that while they are talking about budget cuts, that the prices that lunchrooms have to pay for food will be a good bit more next year than it is this year.

Thank you.

Chairman **Perkins**. Thank you very much, Elwood. You had a good statement.

Mrs. Suzanne Waldrop, consumer and homemaking teacher, Barren County High School. Go ahead.

STATEMENT OF SUZANNE H. WALDROP, PRESIDENT, NATIONAL ASSOCIATION OF VOCATIONAL HOME ECONOMICS TEACHERS, BARREN COUNTY HIGH SCHOOL, GLASGOW, KY.

Ms. **Waldrop**. Thank you, Mr. Chairman.

I am Suzanne Waldrop, a consumer and homemaking teacher at Barren County High School, which is a consolidated high school with an enrollment of 1,103 students. Currently, 73 percent of our students are benefiting from some program in vocational education.

On behalf of home economics teachers, other vocational educators, and the students which benefit from our programs, I want to express to you appreciation for your support for vocational education and for the opportunity to appear today to voice our concerns about possible cuts in vocational appropriations.

Because of the investment made in vocational education, in our school we have a home economics program of which our entire community is proud. Our courses have moved away from the skills as the times have demanded. In our enrollment for 11th and 12th graders last year we had 12 students enrolled in clothing construction and 75 boys and girls enrolled in parenthood education, a course that was offered for the first time; 51 in consumer education; 54 in child development; 20 in family living; and 16 in a wage earning class in food service; as well as large numbers of students in comprehensive courses. All of our courses in vocational educational programs in Barren County are strictly electives.

That what happens in the family affects the rest of society is an indisputable fact. Our programs place emphasis on the skills and knowledge that prepare boys and girls, men and women, for the occupation of homemaking, programs that teach employability, consumer buymanship, budgeting, use of credit, interpersonal relationships, and how to create environments for optimum development of our young.

Employers in the local food service establishments have a high regard for our occupational foods training program. Students trained in our programs develop employable qualities which prepare them for greater success in the food service area as well as those that easily transfer to successful employment in other occupational areas.

Resource persons from local industry who speak to our students consistently tell our students that in the competitive job market the student without a high school diploma is not even considered among the serious applicants from which the positions are finally filled. Our guidance counselor is quick to observe that our vocational programs provide strong holding power for potential dropouts.

We have had good support for vocational education in our State, and, as president of the National Association of Vocational Home Economics Teachers, I have had an opportunity to talk with teachers from other States across the country. They, too, indicate that their States are aware of the importance of vocational home economics education which focuses on the family as the basic unit in society, the stability of which has observable effects on the stability of the economic and social climate of our communities. Federal dollars have provided the incentive to improve the quality of programs and to utilize resources to establish new programs and services which cannot entirely be funded from State funds.

As a member of the State Planning Group for the State Plan for Vocational Education I am aware of how money is allocated within our State and I would like to share with you what I see as some possible consequences of Federal cuts which I have discussed with our directors in the home economics education unit.

Several possibilities for reductions exist. One is that moneys could not be available for our new competency-based curriculum effort. Another possibility is that support funds for supervision of student activities and student projects would be removed.

Another is to consider what might happen to the adult program, which is entirely funded with Federal dollars. Last year alone, Kentucky served over 12,000 adults, many of whom represent low income or single-parent families. Another possibility is to cut money that is being used to sponsor postsecondary education in consumer in homemaking-related occupations.

For many years there has been a noticeable quality about vocational education programs brought about largely by teachers being able to attend annual conferences on the regional and State level which provide opportunities for idea exchange among educators, as well as exposure to innovative presentations made by experts in their respective subject matter fields. The lost of inservice training, which serves to energize and inspire teachers to perform to their capacity, because of decreased funds would soon be translated into status quo offerings.

Congress has long recognized the importance of initiating educational programs to assist with the solution of the economic and social problems, and by the mandates of 1976 amendments, increase the number of target groups for consumer and homemaking education, and specifically defined the major areas of instruction. Without adequate funding, these mandates simply cannot be met and much of the progress made to date will be negated. I cannot speak for our State administrators and those responsible for policymaking as to which of these alternatives would be chosen, but if our funds are reduced, reduced effectiveness in some or all of these areas is inevitable.

Consumer and homemaking programs are preventive rather than remedial in nature. They are being effective in preparing persons for greater productivity in the home and on the job in a complex, transient society. Reduced Federal funding would result in reduced ability to deliver quality programs relative to our current social and economic needs. We need and request your support in opposing a reduction of funds for consumer and homemaking education.

Chairman PERKINS. Thank you very much.

[Prepared statement of Suzanne Waldrop follows:]

PREPARED STATEMENT OF SUZANNE H. WALDROP, CONSUMER AND HOMEMAKING TEACHER, BARREN COUNTY HIGH SCHOOL, GLASGOW, KY., AND 1980-81 PRESIDENT OF NATIONAL ASSOCIATION OF VOCATIONAL HOME ECONOMICS TEACHERS

Mr. Chairman, I am Suzanne Waldrop, a Consumer and Homemaking teacher at Barren County High School, a consolidated high school with an enrollment of 1,103 students. Thirty-four percent of our students are currently enrolled in one or more consumer and homemaking classes. Another twenty-two percent are enrolled in vocational agriculture. Another seventeen percent (with a waiting list) are enrolled in a program in the Vocational School which is located on our campus, and serves students from five school districts. Seventy-three percent of our students are benefitting from some program in vocational education.

On behalf of home economics teachers, other vocational educators, and students who have benefitted from vocational education, I want to express appreciation to you and the other members of your committee for your support of vocational education and for the opportunity to appear before you today to voice our concerns about possible cuts in vocational appropriations. As a secondary teacher, I would like to share my view as to why we need continued adequate funding and why at the secondary level federal funds have helped my particular programs and other similar programs in our state.

306

Because of the investment made in vocational education, in our school we have a home economics program of which our entire community is proud. Our courses have moved away from the skills as the times have demanded. On our enrollment for 11th and 12th graders last year, we had only 12 students in clothing construction while 75 boys and girls were enrolled in Parenthood Education, a course offered for the first time; 51 in Consumer Education; 54 in Child Development; 20 in Family Living; and 16 in a wage earning class in Food Services, as well as large numbers of students in comprehensive courses. All of the courses in vocational education programs are strickly electives.

That what happens in the family affects the rest of society is an indisputable fact. Our programs place emphasis on the skills and knowledge that prepare boys and girls, men and women for the occupation of homemaking—programs that teach employability, consmer buymanship, budgeting, use of credit, inter-personal relationships, how to create environments for optimum growth and development of our young. Consumer and homemaking programs are emphasizing responsible sexual behavior, communication and material adjustment, coping with change, parenting skills, resource and use conservation, all of which contribute to the production of accountable individuals who will ultimately make a responsible contribution to society rather than be maintained by it.

Employers in the local food service establishments have a high regard for our occupational foods training program. They readily accept a partnersip in providing on-the-job experiences. Students trained in our programs develop employable qualities which prepare them for greater success in the food service area or that easily transfer to successful employment in other occupational areas. Wage earning classes can play a vital role in economic revitalization by supplying skilled workers.

In many of our regular consumer and homemaking classes, units that contribute to success in the work world are included. In a recent study in a Consumer Education class, an open ended question regarding the benefits of a study on earning power, income, employability, occupational outlook, and financial planning was posed. Typical of the student's responses were:

1. "This area of study has made me even more aware of how important earning power is and that each individual must work hard to get a suitable job. Learning how to plan a budget, and that it is important, is the most important thing to me that I have learned."

"I feel that this course has been prepared to be very interesting and educational."

2. "The benefit of the study has been extremely great. It has taught me much concerning the job outlook for the future, how to increase my earning power, and how to prepare a budget and to live by it. What is taught in this class is something I feel should be a required course. More guest speakers concerning the occupational outlook is the only suggestion I have for increasing its value."

3. "This recent study of financial planning has helped me to know what categories each expense would go in and more of how to stretch my money. The occupational outlook is better in some fields than in others and you should find this out before deciding. It also benefitted me greatly when I went for an interview this week. I knew more of how to sell myself and I got the job!"

4. "It has benefitted me very much. I know now about filling out applications, going for job interviews, budgeting my money. This section has been very interesting for me and I feel that not much could be done to make it more interesting and relevant. I also feel that this section will, in the future, be very important to all of the students in this class."

Resource persons from local industry who speak to our classes consistently tell our students that in the competitive job market the student without a high school diploma isn't even considered among the serious applicants from whom the position is finally filled. Our guidance counselor is quick to observe that our vocational programs provide strong holding power for potential drop-outs. Our students tell us constantly, "your courses are the ones that are relevant to real life."

Adequate funding for vocational education, including consumer and homemaking, currently funded under Subpart 5, Section 150 of P.L. 94–482 must be available if it is to be made accessible to persons of all ages in all communities. Vocational education is continually important to the economic development of our country. Certainly, as do most Americans, I realize that we have serious economic problems in the nation and in our state, but indiscriminate, across the board cuts can be devastating to many of our programs. Vocational education is a program which invests in our people and their ability to contribute positively to our economy. Programs must be reviewed with scrutiny and cuts not be made in those which can be a force in revitalizing the economy by increasing productivity and economic growth.

We have had good support for vocational education in our state, and as President of the National Association of Vocational Home Economics Teachers, I have had opportunity to talk with teachers from other states across the country. They, too, indicate that their states are aware of the importance of vocational home economics education, which focuses on the family as the basic unit of society, the stability of which has observable effects on the stability of the economic and social climate of the community. Federal dollars have provided the incentive to improve the quality of programs and to utilize resources to establish new programs and services which cannot be funded entirely within the states.

Vocational education enhances the quality of life and the home environment as well as prepares persons for work and greater productivity on the job. Full-time and dual-role homemakers, male and female, provide monetary savings for the family by performing services that would otherwise be costly if purchased in the marketplace. The higher the level of competence, the greater the contribution. Consumer skills directly affect the ability of individuals and/or families to utilize available financial resources in creating satisfying lifestyles. With our present economic crisis, obviously creative use of resources is an important consideration. Programs must be continued which help students develop personal and inter-personal skills important to the occupation of homemaking and in all other occupations. As we consider the need for programs to train people to enter the work force with a greater degree of productivity, we must consider what serious cuts would do to these programs and opportunities for students.

As a member of the State Planning Group for the Kentucky State Plan for Vocational Education, I am aware of how money is allocated in our state, and I would like to share with you what I see as some possible consequences of federal cuts which I have discussed with our director in the Home Economics Education Unit. In Kentucky no federal dollars are used from the Subpart 5, Consumer and Homemaking funds, for state administration. State administration is funded with state funds. Nor are secondary programs utilizing federal dollars for salaries, as we have a good monetary commitment through the state minimum foundation program for teacher's salaries. However, the federal dollars have been used to benefit students and teachers in improving the quality of programs at the secondary level. Those monies have been appropriated for secondary schools for use in curriculum development and for in-service training for teachers and in providing opportunities for students and teachers to participate in leadership activities. In the past two years, the state of Kentucky has been in the process of developing competency-based student curriculum materials for the occupation of homemaking. Much of the funding source has been from Subpart 5 funds. These funds have been used to actually provide student materials, references, and resources to local schools in order for them to implement the updated curriculum.

Reduced federal funding would result in reduced quality of our programs. Several possibilities for reductions exist: (1) One is that monies could not be available for new competency-based curriculum effort; (2) another possibility is that support funds for supervision of student activities and student projects, which have primarily been funded through federal dollars, would be removed and teachers would no longer have the resources to do this; (3) another possibility is to consider what might happen to the adult program which is completely funded with federal dollars. There are no state dollars earmarked for adult education in consumer and homemaking occupations. Last year alone, Kentucky served over 12,000 adults, many of whom represent low income or single parent families in programs such as parenthood education, consumer education, resource management, nutrition education, etc. If significant cuts have to be made in this area, there will be so little money left that there can be no statewide adult program for consumer and homemaking education, only random adult programs; (4) another possibility is to cut the money that is being used to sponsor post-secondary education in consumer and homemaking related occupations. For example, there are programs funded solely with federal dollars for the post-secondary student who is enrolled in another occupational training program, but who needs the skills taught in consumer education, parenthood education, and other related homemaking skills in order to succeed on the job. If federal dollars are not available, these programs simply would have to be discontinued and more than 5,000 Kentucky students would be deprived of this opportunity.

When you analyze the problems and consequences associated with the economic unrest in our country, including the high rate of inflation, high rate of unemployement, wage and price fights, consumer fraud, lack of consumer protection, and the complexity of decisions facing individuals, some alternatives must be provided for them. And whereas consumer education is conducive to reducing the effects of these problems, particularly at the post-secondary and adult levels, people must be taught about credit systems and how to use them, and how to make creative use of their financial resources. In other words, consumers need to learn to live better on less and to conserve resources to meet future needs. Cutting the adult and postsecondary funds would be very unfortunate.

One of the greatest set-backs for our programs could be the loss of in-service training—that periodic shot in the arm. For many years there has been a noticeable quality about vocational education programs brought about largely by teachers being able to attend annual conferences on regional and state levels which provide opportunity for idea exchange among educators as well as exposure to innovative presentations made by experts in their respective subject matter field. The loss of in-service training which serves to energize and inspire teachers to perform to their capacity because of decreased funds would soon be translated into status quo offerings.

Of the above mentioned alternatives where necessitated cuts could be made, the obvious conclusion is that regardless of which alternative must be opted in our state as well as in other states where similar events would occur, the ultimate result would be a decrease in the ability to deliver services and programs of increasing importance to secondary students as well as post-secondary and adult students in the country.

Congress has long recognized the importance of initiating educational programs to assist with the solution of the economic and social problems and by mandates of the 1976 Vocational Amendments increased the number of target groups for Consumer and Homemaking education, and specifically defined the major areas of instruction. Without adequate funding, these mandates simply cannot be met and much of the progress made to date will be negated.

I cannot speak for state administrators and those responsible for policy making as to which of these alternatives would be chosen; but if funds are reduced, reduced effectiveness in some or all of these areas is inevitable.

SUMMARY

Consumer and Homemaking Programs are preventive rather than remedial in nature. They are being effective in preparing persons for greater productivity in the home and on the job in a complex, transient society. Reduced federal funding would result in reduced ability to deliver quality programs relevant to current social and economic needs. We need and request your support in opposing a reduction of funds for Consumer and Homemaking Education.

Chairman **PERKINS**. Our next witness is Mr. Bill Evans, regional director of the Jefferson Vocational Education Region in Louisville.

Go ahead, Bill.

STATEMENT OF BILL EVANS, REGIONAL DIRECTOR, JEFFERSON VOCATIONAL EDUCATION REGION, LOUISVILLE, KY.

Mr. **EVANS**. My name is Bill Evans, regional director, the Jefferson Vocational Region, which comprises seven counties in the Greater Louisville area. On behalf of the vocational education personnel and the citizens of the Jefferson region, I wish to express our appreciation to Congressman Perkins for all of his past efforts in support of vocational education programs and for the opportunity to discuss our immediate vocational education needs.

According to statistics published by the Kentucky Department of Human Resources, the total population in this area in 1978 was 785,600. The 1970 census indicates that 10 percent of the total population is handicapped. The nonwhite population accounted for 15.8 percent, which represents a 21.6-percent increase since 1970. Females account for 52.5 percent of the area's population. There are over 110,000 economically disadvantaged people whose family income is less than poverty guidelines or who are receiving public assistance.

Vocational education programs in this region are designed to meet the needs of these special groups of people. Jefferson State Vocational Technical School and Manpower Skill Center is located in the downtown Louisville area and is a central, easily accessible to large numbers of these disadvantaged populations as well as to large numbers of minority population.

Our try nontraditional [TNT] program is a federally funded project which was developed in this region to encourage women to consider entering the nontraditional vocational training. This project has received national recognition.

In 1970, we initiated mainstreaming deaf students into our regular vocational education programs, and assisting them with appropriate support personnel.

Recent Federal legislation mandates expanded services to the special groups whose needs we have been addressing and whom we want to continue to serve in the best possible ways.

The regional high school dropout rate is over 40 percent. The long-term adult vocational training provided by the Jefferson region is a significant factor in developing these dropouts into self-supporting citizens. The area industries are expected to require 20,750 additional workers yearly to 1982, with service, clerical, technical, and other workers accounting for much of the demand.

Ongoing advances in research and technology necessitate additional training programs to keep pace with these advances. Also, Governor John Y. Brown, Jr., is committed to a program of attracting new industry to the State of Kentucky which will require training even more skilled workers. Vocational training is the key to meeting these projected industry needs.

In line with our goals for vocational education in the Jefferson region, I am proposing these recommendations for your consideration—allocation of funds to maintain and upgrade the quality of existing facilities and equipment. Our facilities must meet and keep pace with industry's needs if we are to continue to provide quality training.

Two, funding be allocated for coordinating job placement activities for job-ready students. With the rising unemployment in a critical economy, competition for existing jobs is intense. Our students compete in the job market with students coming from private institutions with elaborately structured placement services. Therefore, we must give our well-trained students the advantages of centralized placement services.

Three, additional funds for preentry academic remediation. Academic qualifications for job seekers are higher as technology advances. Therefore, good math and reading skills are essential to success in many of our training programs, inasmuch as most of our applicants come from disadvantaged backgrounds, are high school dropouts, or adults entering vocational training after a long period away from school. This preentry academic remediation can mean the difference between success and failure.

Four, expand funding for the learning center-related subjects, counseling and financial aid services. Personal, financial, and academic problems, particularly in the categories of handicapped, disadvantaged, and female students need to be removed as obstacles to training progress. Retention can be considerably improved by the expansion of these services.

Recommendation No. 5, increased funding for both long-term adult preparatory and short-term adult upgrade vocational training programs. These programs are vital to meet the needs of the citizens requiring skilled training in order to obtain gainful employment. They also provide the qualified personnel for business, industry, and agriculture to keep pace with the changing technology.

Six, additional funds for increasing public awareness of vocational education programs. In addition to the general public, there are large numbers of females, disadvantaged, and handicapped persons who need to be made aware that vocational education is a realistic means toward economic independence.

Also, we need to know that State-operated facilities in the Jefferson region provide high quality training. Longstanding stereotypes about vocational education need to be dispelled. These objectives will be accomplished by accurate and intense newspaper, radio, and television coverage about vocational education.

Thank you for your consideration of these recommendations. I welcome the opportunity for further discussion of these recommendations, which are of great importance to the citizens of the vocational education region.

Thank you.

Chairman PERKINS. Do you wish to make a statement?

VOICE. No, I'm just here.

Chairman PERKINS. Mr. Whitaker, over in Montgomery County, what would happen if you have 25 percent less in title I funds? How many children and teachers would be affected? And would you be able to pick up these programs with your own funds?

Mr. WHITAKER. Well, first of all, probably what would happen if we receive the 25-percent reduction we would reduce staff, which now involves 11 full-time reading teachers, and certainly I don't have the figure before me, but we are involving, in a school our size we have one high school, a middle school, and three elementary total student population of about 4,000 students.

This would certainly affect several hundred students enrolled in our reading program. And, of course, we feel like the inability for a student to read and comprehend is basic to all other parts of our education.

And as far as your question, Congressman Perkins, about our ability, locally or with State funds, to pick up these losses in services, that's impossible. In fact, I think the administration has said if some of these programs they've proposed to cut back are doing all the things that we in education say, that it can be picked up at the State or local level.

Well first of all, in Kentucky, we're facing cutbacks from State funds right now from the Governor's office, and I realize that in order to do something about inflation and the economy and stabilize it that we do have to take—this would require belt tightening on everyone's part, but I am concerned about the disproportionate amount of money that's coming from education.

And locally, in Kentucky, we have a statute in existence that places a lid on our ability to increase local taxes more than 4 percent each year, and we're living in a double-digit inflationary time, so with 4 percent we can't even keep up, much less offer any new programs.

So in title I, this year our allotment from title I program in fiscal year 1981, is $301,000, and it does affect several hundred students.

I don't know whether I've answered your question adequately. I hope so.

Chairman **Perkins**. I understand it.

Now, Mr. Singleton, you state that 40 percent of your students are paying for a part of their lunch in the lunchroom. Assume this cutback of about $2,100,000—43 percent—goes into effect and you lose all your commodity support and your section IV reimbursement money. How many students do you think then would remain in your program?

Mr. **Singleton**. We currently have——

Chairman **Perkins**. In your regular program?

Mr. **Singleton**. We currently have a participation rate of in excess of 99 percent in our particular school.

Chairman **Perkins**. You have in excess of what?

Mr. **Singleton**. Ninety-nine percent participation.

Chairman **Perkins**. Practically everybody participates?

Mr. **Singleton**. Yes, sir.

Chairman **Perkins**. You have about 55 or 59 percent free and reduced price?

Mr. **Singleton**. No, sir. That is more like 85 percent free or reduced price. And we are estimating that the participation, based on people's habits, based on people's dependency on the school food service program, might drop as much as 40 percent.

We also think that the number of people—that's the total participation, those not getting the food service at the school, the breakfast and lunch each day—might drop as much as 40 percent.

We also estimate that we cannot operate without a deficit in most of our schools in our school district, especially the larger schools which make up the main part of education throughout this Nation.

The ability of the people is a major factor. In our region the ability to pay for large numbers of children that come from one family, we think that probably it will just curtail our lunch program to the extent that people may not even have confidence in the food service program in terms of reduction in personnel.

Chairman **Perkins**. Well, one more question. You've heard a lot about this terminology, "truly needy". I don't know who's the author of it—either Dave Stockman, who was one of our colleagues up until January 20, or whether the President was the author of the statement "truly needy."

Mr. **Hawkins**. I think Herbert Hoover was. [Laughter.]

Chairman **Perkins**. If the 40 percent who pay for lunches now don't stay in the program because of these price increases, I'm wondering if your school will continue with the lunch program for the 60 percent who receive free and reduced price lunches. You tell me it's more than that.

If not, then the President's statements about these cuts not hurting the truly needy is all hogwash, I take it. Go ahead and make that explanation.

Mr. **Singleton**. Yes, sir. The truly needy would mean all youth in this Nation, when it comes to the two basic things in life. That's health and education.

We cannot expect to continue to be the Nation that we have always been without providing for the health of this Nation, and that is so fundamental in school food service and quality education programs.

Chairman **Perkins**. Let me ask the gentleman from Jefferson County there, do you have any cooperative programs between vocational education and industry? How do you get along? Are you training for the jobs that industry wants in the Louisville region down there and servicing the industrial development?

Mr. **Evans**. I would be honored to.

Yes, we do have two teams involved in working with industry, of placing our students in cooperative positions. That's with our direct-operated programs.

We have a very active regional advisory committee composed of business and industry personnel, and three of these gentlemen will speak to this panel today.

Louisville has a large, diversified industry with the machine and tobacco, and automotive assembly lines and machine parts. So the answer is yes to your question, sir.

Chairman **Perkins**. I believe you stated that one of your problems is to modernize equipment that may become cutmoded for training. Are you faced with that problem in Louisville—the necessity to get some more modern equipment?

Mr. **Evans**. Most of our facilities in our region are new. Therefore, the equipment is, say, within 10 years old. But I think as vocational educators interested in the updating and keeping abreast must be aware of this fact.

You know, a few years ago we were talking about computers being the thing of the future. Now we're talking about robots and being able to service robots and how they will play the part in industry and production.

Chairman **Perkins**. And your equipment, up to the present time, has always been modern and not outmoded?

Mr. **Evans**. Yes; we have equipment that is outdated in our region, although we are fortunate to have as much good equipment and up-to-date equipment as we have.

We are short within the computer field at this time.

Chairman **Perkins**. What has been your placement record down there?

Mr. **Evans**. Eighty-five percent.

Chairman **Perkins**. And do you agree that if we cut these funds, industry will not expand? If we do not provide the training, and where we will be paying out more for unemployment compensation than all these training programs cost.

Mr. **Evans**. I think we'll be headed definitely in the negative direction as far as paying out employment insurance and other subsistence programs if they are available.

If not, we need, in a metropolitan area such as ours, to be very aware of the crime position relative to felonies that do occur when people are unemployed and not having places to work. In the Louisville area, of course, the crime rate is already high. We don't need any more.

Chairman **Perkins**. Mr. Whitaker, over in Mount Sterling, do you have working relationships with corporations, industry, and labor, like A. O. Smith and others? What percentage of your students are employed when they graduate from your schools?

Mr. **Whitaker**. Approximately 52 percent of our present population are working at one of those small industries and within the last 5 years there is an industrial park where the land has been purchased, it's been developed to attract supposedly 20 or more additional industries that will not just serve Montgomery County but would serve some 20 counties surrounding. We're referred to as the gateway to the mountains, so we kind of sit on the edge of the bluegrass.

Chairman **Perkins**. Well, have you had conversations with some of the proposed industries that want to come into your area to make sure you're in a position to do the training for those industries?

Mr. **Whitaker**. Yes, sir. We have. But we feel like, first of all, that we work with A. O. Smith, the Kitchen Aid, or Hobart plant, and some others that are there, but with the development of this industrial park, if anything, instead of reducing our vocational facilities and programs we certainly need to expand them because, other than our vocational programs on-site within these schools, we're the only region that doesn't have a State-supported regional vocational school.

So the burden of the local district vocational facilities is being even greater in our particular region. In other words, if they couldn't get it at the school—at the extension centers—there's not a regional vocational school in our region.

Chairman **Perkins**. Have you been able to work out any cooperative arrangements with A. O. Smith, or Hobart Co.? I presume that's what keeps you alive to a great degree.

Mr. **Whitaker**. Yes, sir. We presently have a Federal program called, under the CETA program, an industrial training grant, where we not only provide basic reading and math skills but we have instructors from the A. O. Smith Corp. that come in and deal specifically with the type of training that they need in their employees, such as blueprint reading, operation of a metal lathe or that particular thing. They've acted as instructors in our program.

Chairman **Perkins**. Elwood, do you want to make any mention of the situation up in the mountainous region? You need a lot of industry up there. Are we really training for the jobs? Go ahead and tell us. That's some of the arguments still against us. Those old arguments have been around so long that they are outdated and outmoded, but nevertheless I like to see that we are making progress.

Mr. **Cornett**. I think one of the best indicators of what is happening in Walter Prater's administered vocational region is that in some of the programs, particularly those related to the energy business, that they are unable to graduate the students, many times because they are taken off in a job before they can really get finished. The demand is there and they are fulfilling that demand. It's greater than they can do.

Chairman **Perkins**. You want to comment?

All right. Let me thank all of this panel. You've been most helpful to us and we appreciate your appearance here this morning.

Excuse me just a minute. Mr. Hawkins. I got to interrogating the witnesses and got a little carried away.

Mr. **Hawkins**. I don't blame you. I think it's been very interesting.

Mr. Whitaker, you referred to the CETA industrial training grant. Was that the one that you described in answer to one of the questions from the Chair?

Mr. **Whitaker**. Yes, sir.

Mr. **Hawkins**. How successful has that been?

Mr. **Whitaker**. We think extremely successful and one of the reasons we think it has, these students are students between the ages of 16 and 23 that did drop out of school and didn't have a basic education, but did not have the employability skills required by our local industry. And so we got together with the leaders in the factories and so forth, and rather than us deciding what kind of skills they needed, asked them what do you need? What are you looking for?

We based this grant application on what the people in industry were telling us, and then we also said maybe we don't have the expertise to train, so will you make your people, who are qualified, available to us as instructors in this program? So we think the cooperation with industry has made it, and we've had—I won't quote a figure off the top of my head—but had a very high placement rate and we've had the program, now, this is the second year.

And we've had people come in from the State Department of Education and other places to look at this particular program as a sort of model down in Pulaski County and some other areas, trying to see if they could get something similar where there was a close working relationship between industry and the local schools.

Mr. **Hawkins**. Do you recall what title that was done under?

Mr. **Whitaker**. It was under the CETA program?

Mr. **Hawkins**. What's the title of CETA?

Voice. Title IV, II-B, Special Grants.

Mr. **Whitaker**. II-B, Special Grants.

Mr. **Hawkins**. Thanks.

Chairman **Perkins**. I think the gentleman in the rear is right. That is my judgment about it. Go ahead.

Mr. **Hawkins**. Well, would you identify and let us know specifically?

Mr. **Whitaker**. I certainly will.

Mr. **Hawkins**. Because I am just wondering if it is one of the titles that's either being eliminated or reduced.

The only other question was, Mr. Evans—it's really not a question, but Mr. Evans, you did deal with not just merely discussing budget cuts, but I think your specific recommendations actually urged some expansion of programs, which I think I was very delighted to hear that, because I think the thrust of your statement was that even if we maintain the programs at their current level, due to technological advances, population increases, and so forth, we will still be falling behind.

And rather than just merely resisting budget cuts, even if we forgot all about that, even if we eliminated all of the waste, even if we eliminated those who are determined not to be truly needy and all of the other things, that we would still be falling behind, relatively speaking, if we did not actually expand these programs that have proved to be successful. I think that was the thrust of what I got from the recommendations that you made. Am I correct?

Mr. **Evans**. That is correct.

Let me clarify that at this time we are not providing the services of vocational education to the people in our region to the extent that it should be provided, particularly in the areas of adult and postsecondary, nor for the females, the disadvantaged, and the handicapped. Because we are in the metropolitan area of Kentucky, the greater metropolitan area approaching 1 million people, and therefore it becomes a very complicated and challenging task to provide the needed services.

So we cannot assume that what we're doing today is adequate, but we can assume—and be a fact—that tomorrow we must do more.

Mr. **Hawkins**. So among those that we are ignoring, obviously there must be a lot of so-called truly needy?

Mr. **Evans**. That is correct, sir—110,000 of them.

Mr. **Hawkins**. Thank you.

Chairman **Perkins**. Go ahead, Mr. Kildee.

Mr. **Kildee**. I think you and Mr. Hawkins have done well there. I exhort you to complete your job now. You've done a very good job in giving us the information that we need to take back to Washington next week when we report to the House Budget Committee. We have a very important report to the Budget Committee, and I'm sure, under the chairman, that we will oppose these cuts, particularly to nutrition and vocational education.

But we're going to have a really hard time with that Budget Committee, and somewhere down the line we're going to have a reconciliation bill. In considering that reconciliation bill, we need the support of the people who will be affected by these cuts proposed by President Reagan. So the other half of your job, is to inform those who will be affected by these cuts of the nature of the cuts—what will happen before the fact, rather than after—so that when we on the Education and Labor Committee get to work with that Budget Committee on the reconciliation bill we will be able to block these cuts.

We at this hearing believe in this, but there are a lot of people in Congress who aren't quite convinced yet. They have to be convinced. You have to get the consumers of education really informed as to how these cuts will affect them.

You know, we use a term in the Congress—"reconciliation." I always thought reconciliation was a positive word. Lovers reconcile. But I'll tell you, the reconciliation last year in the Congress was not a loving act. So make sure, before that reconciliation bill comes up, that the people of this country know the effects of these cuts. You can do it better than we can. You can spread the word to those customers, those consumers of education that you work with on a daily basis.

My mail right now is 10 to 1 in support of the President. We've got to really get you informing your people so they can write to their Congressmen to say, that these programs are important and are needed.

So do the other half of your job. You've done a very good job here this morning. Thank you very much.

Chairman **Perkins**. I would like to thank all of you ladies and gentlemen, in conclusion, for your statements here today. You've been most helpful to us.

Further supplementing what my colleague from Michigan just stated, you know, Mr. Hawkins was present as 21 of us chairmen met with the leadership. I did my darndest to get Speaker Tip O'Neill to postpone for a month this reconciliation process that we must go through with the Budget Committee and the Senate, but to no avail.

So we are under the gun here. That's the reason we are working 6 or 7 days a week. And we are going to testify before the Budget Committee. The President may be as popular as Tip O'Neill stated he was. What did he say, Gus? And he wanted us to go right along. What did he say?

Mr. **Hawkins**. Well, he thought that we should just go along and not rock the boat and be quiet until the honeymoon was over, which he felt might last 6 months or more. So Mr. Perkins expressed, I think, the views of a few of us, although there were not many voices that spoke out, that we had to do something now, and that we couldn't wait, and that we should hold hearings, go out among the people and let them know what's going on.

I guess this is part of that implementation of that statement that you made, Mr. Chairman.

Chairman **Perkins**. We may be a few voices crying out in the wilderness, but if we had more time to let the people of the nation know what really is going on in Washington, I think it would be a horse of a different color. There's going to be more unemployment compensation paid out than ever when we cut back all the training programs—CETA, vocational education, aid to the disadvantaged and handicapped. And yet we have the greatest public works programs being proposed overseas in the history of the world, and the greatest foreign aid programs in the world being proposed overseas.

We are paying $85 billion interest on the national debt. It's jumped from about $20 billion from 1970 up to the present time. And if we were tackling all those problems instead of just tackling about one-fourth of them, we could all make sacrifices. We should all make sacrifices, but I'm afraid we will be paying out much more money in unemployment compensation when we fail to train the people who can be productive in this country.

And I think we've got to stand up and fight for that principle. And that's what we intend to do.

Let me thank all of you for your appearance here this morning.

Our next panel is Johnny Cole, manager of the employment service for Philip Morris. Come around, Mr. Johnny Cole; Mr. Allen Rose, personnel manager, Roll Forming Corp., Shelbyville; Mr. William E. Edie, national sales manager, Caudill Seed Co.; Mr. Harold Huffman, executive vice president, Bowling Green-Warren County Chamber of Commerce; and Mr. Stan Turner, administrator of construction project training, Daniel Construction Co., South Carolina.

We are anxious to hear from you first, Mr. Johnny Cole, manager of the employment service of Philip Morris. All of you get your seats there.

Go ahead, Mr. Cole. Identify yourself for the record, and go ahead.

STATEMENT OF JOHN COLE, MANAGER OF EMPLOYMENT SERVICES, PHILIP MORRIS, LOUISVILLE, KY.

Mr. COLE. Good morning, Congressmen. My name is John Cole. I'm manager of employment services, formally, with Philip Morris, in Louisville, Ky., and I am also a member of the Jefferson Vocational Education Regional Advisory Committee.

As proposed monetary and fiscal policy takes effect, it is anticipated that investment in capital goods will increase significantly, causing a rapid industrial modernization and expansion period. My employer has already entered into this modernization period. Our experience has indicated a drastically increased need for skilled labor. Skilled labor such as what can be provided through the State vocational education system.

The State vocational education system in the Louisville metropolitan area has recently been praised by the advisory committee. This committee has determined that in all of the area facilities the instructors and administrators were competent and effective in providing vocational programs for the community. The programs currently provided are well designed to meet the needs of both the students and the community. The area's administrators and instructors have expressed a willingness to accommodate industrial needs.

The committee also reported some problems and areas of needed improvement in the local vocational education system. Many of these problems areas are caused by lack of funding, organization problems, et cetera. The committee specifically points out that many facilities are undermanned, due to budget cuts that eliminated many administrative, clerical, and maintenance positions. Several locations had open vacancies for instructors, citing reasons such as low instructor pay, and difficulty in locating qualified individuals.

Some facilities were lacking in classroom and shop space, limiting the effectiveness and scope of their programs. The facilities were operated under very tight budgets, allowing no flexibility, and in some cases, basic supplies necessary for conducting classes have not been available.

Many facilities have large backlogs of applicants, causing long waiting periods. This situation often discouraged potential students from pursuing vocational careers. Current admission policies for vocational schools permit all interested students to pursue vocational careers. Because of this situation, many facilities experience a high turnover of students, with excessive entering and exiting in the middle of programs as well as student absenteeism.

Despite an overall willingness to accommodate industry, the Louisville metropolitan area vocational education system does not possess adequate resources to meet industry's needs. As I have pointed out, there are many pluses and minuses to be found in the current State vocational education system, and I would like to elaborate on industry's needs and experiences.

We have identified our employment needs, both present and future, for the various craft positions in our Louisville operation.

We have determined that our most significant needs will be for electricians, carpenters, and maintenance machinists. We have already attempted to fill our needs through the available labor market, however, qualified industrial electricians with electronic experience, qualified industrial carpenters, and qualified maintenance machinists are not available, plus the fact that many of these positions should be filled by minority or females in nontraditional roles makes these positions even more difficult to fill.

One solution to our problem is to depend upon the State vocational schools to establish apprenticeship programs that fit our needs. We found that the State vocational system did not have all the necessary resources to coordinate, design, finance, or staff such programs. We have been able to initiate these programs through the vocational system by implementing the system whenever needed.

An example of current programs. My employer cooperated with vocational education administrators in designing course curriculum, locating qualified instructors, supplementing the instructors' salaries, and providing for apprenticeships within our company. This is one of the two apprenticeship programs we are utilizing currently, and we are in the process of designing another.

There is an immediate need for vocational education to provide more services to industry. Vocational education must design and coordinate programs based on manpower forecasts from industry to insure qualified, skilled workers will be available to fill the needs of new and existing industry.

Industry's responsibility to the vocational education system includes assisting in preparing manpower forecasts and coordinating programed development tailored to needs. Industry should also be willing to assume some responsibility for the expense of these programs. Legislative action could direct vocational education priorities, and insure that adequate funding is available to insure industry's needs are adequately met.

Thank you.

Chairman **Perkins**. We'll go through the panel here. Our next witness is Mr. Allen Rose of the Roll Forming Corp., Shelbyville.

STATEMENT OF ALLEN ROSE, PERSONNEL MANAGER, ROLL FORMING CORP., SHELBYVILLE, KY.

Mr. **Rose**. My name is Allen Rose. I'm personnel manager at Roll Forming Corp., Shelbyville, Ky.

Chairman **Perkins**. How many employees do you employ?

Mr. **Rose**. 150. We're in a high skill, high technical industry in custom metal forming in the areas of aircraft and space vehicles.

Chairman **Perkins**. And how do you depend on the vocational schools? Just go ahead and tell whether or not they are doing their job for you and whether it's necessary to maintain them and whether they should have more money to do a better job. Give us your views about it, since you are associated with them.

Mr. **Rose**. Thank you, Mr. Chairman. It's a pleasure for me, as a representative of our industry, to give you the views and to let you know how much we depend on vocational schools for the basic training of the skilled employees that must come into our industry.

In 1947, Roll Forming Corp. was incorporated in the State of Kentucky by Barlow W. Brook, Sr., himself a vocational school graduate. So you can see vocational schools are dear to our heart when the chairman of our board is a vocational-trained person.

We depend more upon men and women who are trained vocationally now than ever before in almost every department in our plant, where 60 percent of our employees are vocationally trained in one craft or another. In almost every department in our industry we have to depend on employees who have vocational training.

The vocational system, in our opinion, continues to need additional funds in order to pay competitive salaries, which will enable them to attract qualified instructors and to produce qualified employees.

Mr. Chairman, in my opinion, we have only scratched the surface and I would like to give to you an example that was used on me to prove my point.

A good number of years ago, while attending Murray State University, a professor asked me if he could pick on me during class. And, of course, I agreed. He said, "I'm going to ask you everything there is to know about this pencil—the most simple thing that we work with."

He began by saying something like this. "How much does it weigh?" I said, "I'm sorry, sir, I don't know." "What kind of wood is the pencil made of?" I said, "I'm sorry, I don't know." "How many feet of mark will the lead make, or the graphite, before it wears down to the metal?" I said, "I'm sorry, I don't know."

"What kind of paint is on the pencil?" I said, "I'm sorry, I don't know." "What kind of metal holds the eraser?" I said, "I'm sorry, sir, I don't know." "What kind of rubber is the eraser?" So, again, I had to say, "I'm sorry, I don't know." "Well, how many feet of mark will this eraser rub out before it wears down to the metal?" I said, "I'm sorry, sir, I don't know."

He placed it on the desk. He removed a mechanical pencil from his pocket and he said, "Son, you have a problem if I ask you to describe this big mechanical device, don't you?"

Mr. Chairman, we've only scratched the surface in training people for our industry in the technical expertise that's needed today, because if we don't know everything there is to know about this simple, 6-inch item, we've only begun when we are fabricating parts for our space program, the sophisticated aircraft and the machine technology that's required, because we received our basic training for these things in our vocational schools here in Kentucky.

Also, our vocational schools are teaching our children about community relations, employee relations, governmental relations. We believe in the vitality of our democratic form of government, and its strength in the American free enterprise system upon which America's prosperity has been built.

Above all, we strive to be law-abiding citizens in whatever country, State or community we conduct business and in carrying out our duty as corporate citizens. We accept responsibilities, our tax obligations, and encourage our employees to do so. This begins in the vocational school.

Some of the areas in which vocational people are required—being in a metal working plant—we have to slit metal to proper widths. Sometimes it's difficult to find a young man or young women who can convert a fraction to a decimal in order to perform this job.

We have precision presses we have to operate. We have bending operations. You ride aircraft, Mr. Chairman, I'm sure quite often. Some of the window frames that you've sat beside probably were made in Shelbyville, Ky., by vocational trained persons.

We have to heattreat the alloys. The persons who perform this receive their initial training in the vocational schools. We have welding and joining of parts, the basic training put forth in the vocational school. We have assembly operations where our employees are taught blueprints and micrometers and precision measuring instruments in the vocational school.

You see, they are equipped to begin their training program when they begin with us. We are 2 years ahead of the schedule, if we can find a person who can read these precision instruments before we get them.

And then, finally, the skilled areas are tooling. Tool and diemakers are a scarcity these days. Every tool and diemaker apprentice we employ in our industry comes from the vocational school in Shelby County. They are equipped to begin their training program.

To further emphasize the importance of vocational schools, let me give you some products made in Shelbyville, Ky., that you are familiar with, I'm sure. These products are made by vocationally trained employees, such as the agriculture industry. The manufacture of grain bin floors, chicken roosts, other component parts for the poultry industry.

Aircraft. We are in the business of fabricating aircraft parts. For instance, the space shuttle vehicle that you're going to see launched in a few weeks, the wing braces were made for that vehicle in Shelbyville, Ky., by vocationally trained employees.

Chairman **Perkins**. You do the training for related defense industries?

Mr. **Rose**. Very much so.

Chairman **Perkins**. To get people that can do the job.

Mr. **Rose**. Yes, sir, 30 percent of our business is in that direction.

Chairman **Perkins**. Thirty percent of your business is related to defense?

Mr. **Rose**. Yes, sir, and it could be a good deal more, if necessary.

Chairman **Perkins**. It would be a good deal more, if you had the facilities, is that correct?

Mr. **Rose**. Yes, sir.

Chairman **Perkins**. Go right ahead.

Mr. **Rose**. The construction industry is constantly changing. Residential steel framing, architectural designs of all sorts are fabricated by vocationally trained students.

The heating and air conditioning business, the office and furniture business, major appliances, such as dishwashers, appliances for the home, home products, fireplace screens—all are precision made.

Chairman **Perkins**. Before you go any farther, my staff tells me that UPI is calling for a quote. I would like for you to tell us, from your experience over there, what will be the effect on your vocational school in Shelbyville and your industry, assuming this cut of 25 percent was to go into effect and assuming further that you're not going to get any State and local funds. If you don't mind, so that my staff can get a quote to give to them.

Mr. ROSE. I would be happy to, Mr. Chairman.

What this means to us, if we cannot get the basic training I referred to from the vocational schools for our skilled employees, means that we have to do it in-house. And if we do it in-house it means additional cost, which we pass on to our customers, which makes us less competitive in the marketplace. It's a must. It will happen if we can't continue with the present and future expansion of the vocational system. We have no choice. We'll have to do it in-house.

Chairman PERKINS. Which means perhaps you could lose your sales to a great degree?

Mr. ROSE. Yes, sir, that is correct.

Chairman PERKINS. Go right ahead with your statement.

Mr. ROSE. I'd like to give you some unusual applications that still require skilled employees to make, such as squeegee blade holders, casket handles, and saw wheels. So perhaps when one of us is carried to the gravesite we are carried there by a precision part that's made by a vocational student, referred to as a casket handle.

A very important thing that we don't touch on often, and we see this, we have to commend the vocational schools for their ability to teach young men and young women attitudes. I'm always reminded of the record of Yogi Berra. I'm sure you're all familiar with Yogi Berra, but nobody looked less like an athlete in 1947 when he entered Yankee Stadium. He was gawky. He couldn't walk. He was short. He was squatty. While running to second base or throwing to second base he hit the pitcher in the chest. Once he ran over the second base umpire, who was 10 feet away from the bag. But he didn't let this overcome him because Yogi Berra spent the extra hours in the batting cage.

He studied his rival hitters until he knew their weaknesses. As a result of his hard work and perseverence Yogi played on 14 pennant-winning teams, hit 358 home runs and was voted the league's most valuable player 3 times, and set 18 World Series records.

Mr. Chairman, we have to teach in our vocational schools not only mechanical skills but attitudes, and I commend the schools for the job they are doing. We have three young men, if I might add, in our plant who are apprentices—tool and die apprentices. They've been with us 3½ and 4 years. Neither of the three have ever been late for work or missed a day's work, because of the initial training they received in our vocational system.

Our vocational system is teaching young men. We hear so much about being successful in our days, and we have to think we are successful. We have to have our head screwed on right, so to speak. But I'd like to close with this statement, and I got it from the vocational school where I learned it.

We hear so much about being successful. I grew up as a boy thinking that you had to have a lot of money to be successful. Obviously I failed because I don't have any money. But I found

322

another definition that I like better that I learned from young people. And it comes from the vocational system.

It's doing your job the best you can,
And being just to your fellow man,
And dreaming a little and doing much,
It's keeping always in closest touch.
It's being clean, it's playing fair,
It's laughing lightly at despair.
It's struggling on with the will to win,
But taking the loss with a cheerful grin.
It's sharing sorrow and work and mirth,
And making better this good old Earth.
It's serving, striving through stress and strain,
And with the help of God it's doing your best.

Mr. Chairman, I believe that's success. It seems to me that our vocational system is not only vital but necessary if we plan to remain competitive in these United States of America and with the rest of the world.

Mr. Chairman, thank you for allowing me to come.

[Prepared statement of Allen Rose follows:]

PREPARED STATEMENT OF ALLEN ROSE, PERSONNEL MANAGER, ROLL FORMING CORP., SHELBYVILLE, KY.

Congressman Perkins, ladies and gentlemen, on behalf of industry and the vocational education system, it is my pleasure as a representative of both to present to you the following on vocational education and what it means to industry. I represent an industry that depends on vocational trained men and women in order to remain competitive in the marketplace. In almost every department in our industry we have to depend on employees who have a vocational background. The vocational system continues to need additional funds in order to pay competitive salaries, which will enable us to attract qualified instructors.

Congressman Perkins, ladies and gentlemen, we have only scratched the surface and have only just begun to train men and women to fulfill the skilled needs of our State and Nation.

Congressman Perkins, ladies and gentlemen, our vocational system is not only vital but is a must if we plan to remain in a competitive position.

Roll Forming Corporation was incorporated in the State of Kentucky on February 18, 1947 by Barlow W. Brooks, Sr. Mr. Brooks is a vocational school graduate.

CUSTOMER RELATIONS

We believe . . . that our customers are entitled to products of the highest quality at a fair price. Our objective has always been to "satisfy the customer" who will rely on us to help him solve his problems and meet his needs on both an immediate and long lasting relationship. To assure meeting this objective in our daily operations, our corporation's management and employees subscribe to the following principles:

Assure customers of a dependable source of supply and a timely delivery of orders in keeping with our customers' needs.

Continue our responsibility to our customers beyond the point of sale, with prompt and courteous service.

Provide components with full recognition of our responsibility to have those components functional, consistent with the needs of the customer.

EMPLOYEE RELATIONS

We believe . . . that our employees—their knowledge, skill, dedication, and loyalty are our most vital resources. We are committed to developing and maintaining a climate that will enable people to grow with the company to the best of their ability. A large majority of them are vocational school trained.

COMMUNITY RELATIONS

We believe . . . that our corporation should be a good neighbor in our community. In fulfilling this role, our management subscribes to the following policies:

Maintain our buildings and grounds in good condition from both enthusiastic and environmental standpoint, making our facilities an asset to the community.

Maintain an interest in our vocational system, and insure that the property and the rights of our neighbors are respected by our company and its employees.

GOVERNMENTAL RELATIONS

We believe . . . in the vitality of our democratic form of government and in the strength of the American free enterprise system upon which America's prosperity has been built. Above all, we strive to be law-abiding citizens in whatever country, State, or community we conduct business. In carrying out our duties as a good corporate citizen, we subscribe to the following practices:

Accept responsibility for our tax obligations as a proper share in support of the free enterprise system, exhibiting interest and concern with the manner in which these taxes are spent by government in the pursuit of local, state, and national objectives.

Encourage our employees, as in any democratic society, to take an active and constructive part in the political process in accord with the regulations, laws and generally accepted practices governing such actions. Our corporation, however, follows the strict policy of not endorsing or supporting, directly or indirectly, any political party or candidate.

When the government is our customer, offer fair prices and maintain the same high standards of manufacturing and service which we strive for in other segments of our operations.

Comply in both the spirit and letter with those government regulations which affect our operations and actively work through recognized industry groups to influence changes in these regulations when we believe such changes are warranted.

The vocational educated students are vital in the following areas:

SLITTING

Our corporation does its own slitting to maintain accurate strip width and to make economical use of inventory.

PRESSWORK

Our corporation has a complete press department. It includes press brakes and punch presses to perform supplemental work on sections rolled in our plant. End closures, joggles, upsets, or tabs can be done with a minimum of handling.

Mating parts which are part of an assembly can be made at Roll Forming Corporation so that you can be assured of fit.

BENDING

We are equipped to bend most parts to the shape required after roll forming. Parts can be designed with simple corners or compound bends.

So that uniformity of fit is assured it is often desirable to have the completed part be the responsibility of one source.

HEAT TREATING

Today's advanced technology requires the use of sophisticated materials. Many times heat treating parts after forming causes warpage and rejection or costly rework. We have facilities for heat treating aluminium.

WELDING AND JOINING

Our corporation can join materials in a variety of ways. We rivet, spot weld, projection weld, and arc weld. When volume requires, we design and build automated welding equipment to do specific tasks.

ASSEMBLY

Our corporation produces assemblies. Assembly by welding is often required. Projection, spot, and arc welding can be done along with designing and making the necessary jigs and fixtures. Welding of assemblies using more uniform roll formed sections is better and less expensive.

TOOLING

Our corporation has a complete tooling department. Design, fabrication, and maintenance of tooling is, therefore, under our control and experienced people. Some of the products that are made by vocational trained employees.

AGRICULTURE

The manufacture of grain bin floors, chicken roosts, and equipment components are examples of our work in this field.

AIRCRAFT AND SPACE

Today's technology in this field is demanding. Examples of our experience are stringers for light aircrafts, window frames, and components for the space shuttle.

CONSTRUCTION

The design of today's buildings and structures are continually changing. Residential steel framing, and architecturally pleasing curtain wall sections are just a few of the many products in demand.

DECORATIVE TRIM

Always present in the mind of designers is appearance. We have experience with many types of decorative trim.

HEATING, AIR-CONDITIONING, AND VENTILATING

Efficient use of energy is important. We have worked with design concepts of electric heat, air filtration, air conditioning, and solar heating components.

OFFICE FURNITURE

Today's modern offices demand beauty and functionality. From completely assembled drawer slides to structural components.

MAJOR APPLIANCES

Our experience in major appliances ranges from decorative trim, to handles and structural components. (Dishwasers)

HOME PRODUCTS

The structural members of fireplace screens, the snap-on decorator strips, or the decorative support members of shelving are examples of our work.

TRANSPORTATION

Examples of our work in this area are truck body components, grill members, and trim for rapid transit cars.

UNUSUAL APPLICATIONS

We have made squeegee blade holders, casket handles, and saw wheels.

Chairman PERKINS. Thank you very much for an excellent statement. We'll get back to you for some questions in a few minutes.

The next witness is Mr. William E. Edie, national sales manager of the Caudill Seed Co. Go ahead.

STATEMENT OF WILLIAM A. EDIE, NATIONAL SALES MANAGER, CAUDILL SEED CO., LOUISVILLE, KY.

Mr. EDIE. For the record, I am William A. Edie. I'm sales manager for the Quickdraw Division of Caudill Seed Co. I'm completing my 11th year as regional advisor, having served as chairman of that committee and having served on accreditation committees and on evaluation committees during these 11 years.

I think at times we need to present a problem in a different light. Sometimes we look at a problem that seems insurmountable or there's some other factors, but today I want to twist this entirely into a different direction.

Because there are people present here who have an interest in youth, these remarks that I'm going to make are pertinent, because I feel that the problem that exists begins in the elementary and secondary schools. I do want to commend the staff and the director and all our peers in this advisory for the Jefferson region. There's no question but what they've adopted programs and created programs which are winning national acceptance.

I think, though, that the problems that exist in our thing, which are more serious than budget cuts, relate to the purpose of the vocational system, the administration of the vocational system, and, of course, there could be a change in advisors, which might be helpful.

The purpose of vocational education is very clearly stated, and it's often repeated, just like our National Anthem before every basketball game. But in practice it's not. The purpose is not carried out. There are other purposes and I'll give some evidence.

One thing I feel that's wrong, and I've never observed in my 12 years, never has an experienced vocational educational administrator had top authority for the vocational program in the State.

I think, number two, that at every public hearing the higher education lobby pleads for vocational education funds, though the evidence reflects a continuing failure of such institutions to prepare our youth for successful entry into productive jobs. The product of higher education is a person without goals or any way of setting goals, without any plans or the ability to plan, or any motivation other than a desire to keep up with the Joneses.

Now, I didn't put this in here, but I'd like to say that I'm past secretary of the personnel association in Louisville. I've hired people for defense projects. I've run the shop, factory and so on. And I feel that our educational system as it is constituted is a failure.

My third point. Most frequently, academic teachers and counselors look upon vocational education as a dumping ground for the problems which they cannot or, because of custom, will not face. This attitude has the full support of the State-level administrators, as evidenced by the answer that they offer which this advisory body has continually, over some 10 or 11 years and as I notice was reflected in the request by our director, that we should have related teachers—those people who help teach English and math. And the answer always is, to us, they should have learned it in high school.

That, to me, becomes a situation of being a judge. I feel that they are attempting to make a penal institution out of our vocational system by not permitting the person who wants a job to learn the communication skills which are very essential, as discussed, in any phase of work, and the math skills which would make it possible to do what my friends want.

A fourth point here. I've been at both our penal institutions. At LaGrange Reformatory, vocational education is used as a tool by the inmate to secure his parole. The parole board goes along with it, and they accept his thing and let him out. Actually, very few step out on the street with the training that qualifies them for a job. They enter as a last minute thing.

These are just a few of the situations which seem to affect the efforts of these educational planners. I recommend first that all funds carry a mandate that the true purposes, which are well stated on paper, be the real goals of vocational educational. And second, I recommend the top level of vocational administration be taken from those who have not been able to succeed in the general academic field.

As we say, take a businesslike approach. This is meant to be a hard-nosed, realistic business approach, not one built on pyramids. I think the public will soon demand a responsible accounting for its moneys. Any self-induced, authoritarian type of leadership must be pruned firmly and pragmatically.

My third recommendation, that new management be supported by a new type of advisory body. As now established, so many members are mandated from State or Federal agencies that practically no input from labor members can be brought to consideration.

This is a changing world, and as citizens we deserve a voice in the future of our country, namely those products of this vocational system who would like to secure a job, who would like to hold a job, and who would like to climb the ladder of success through that job that they obtain.

Thank you. I appreciate very much the opportunity to be here.

Chairman PERKINS. Thank you very much.

Now, Mr. Huffman, we have a lengthy statement from you already in the record. If you want to make a brief statement here this morning, you go right ahead.

Mr. HUFFMAN. How brief?

Chairman PERKINS. Well, take 4 or 5 minutes. We'll be duplicating the record because we have your lengthy statement in the record in Washington.

[Prepared statement of Harold Huffman follows:]

PREPARED STATEMENT OF HAROLD HUFFMAN, EXECUTIVE VICE PRESIDENT AND GENERAL MANAGER, BOWLING GREEN-WARREN COUNTY CHAMBER OF COMMERCE, INC., AND BOWLING GREEN-WARREN COUNTY INDUSTRIAL FOUNDATIONS, INC., BOWLING GREEN, KY.

My name is Harold Huffman and I am Executive Vice-President and General Manager of the Bowling Green—Warren County Chamber of Commerce, Inc. and Bowling Green—Warren County Industrial Foundations, Inc. in Bowling Green, Kentucky. I am a member of the Regional Advisory Committee for Vocational Education, Chairman of the State Manpower Planning Council, and a member of the State Private Industry Council.

Vocational Education has been very effective in dealing with major social and economic issues in Kentucky and especially in the Bowling Green area. One of the major contributions of vocational education to the economy is its effectiveness in attracting industry and business to the area and, as a result, creating new jobs. In the period January 1979 to the present time the ten county Barren River Region has acquired 12 new industries and 85 industry expansions which created 3,421 new jobs.[1] Of this number 1,277 or 37 percent have been trained through Vocational Education Programs. The total investment made by the 97 industries totals $439,481,000. We realize that this growth is the result of many factors, but had it not been for vocational education training being available, we do not believe that the Bowling Green area could have attracted this industry. Almost every industry that expresses interest in locating in our area wants to know the type of vocational training offered. The Chamber of Commerce makes a regular practice of taking prospective business and industry personnel to the vocational school for a look at their programs and facilities.

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[1] See Kentucky Department of Commerce Statistical Report (Copy attached).

In a research study, the Research Department of Associated Industries of Kentucky, in cooperation with the Bowling Green-Warren County Chamber of Commerce, provided data on "What 100 New Factory Workers Mean to a Town."[3] It found that for each 100 manufacturing jobs added to the community, the amount of personal income added per year is $2,324,304.00, bank deposits increase by $876,263.00, retail sales increase by $1,178,422.00 and other expenditures increase by $269,619.00. 100 new manufacturing jobs means an addition of 359 more people, 91 more school children, 107 more passenger cars, four more retail establishments, and a total of 74 more persons employed in non-manufacturing jobs. Annual retail sales in Bowling Green-Warren County have increased from $34,791,000.00 in December, 1959 to over $386,600,000.00 in December 1980. During the same period deposits in financial institutions have grown from $33,911,796.00 to $456,227,052.00. We believe that vocational education played a major role in bringing about this change.

Industries in our area are looking for skilled personnel. Vocational education is our number one means of helping people develop skills which lead directly to employment, and at the same time assist industry in meeting their training needs. Three new industries which have recently decided to come to our region are General Motors Corvette Assembly Division, Anaconda Aluminum and the Kroger Company Bakery. Vocational Education set up a pre-Employment Training Program with General Motors and to date has trained 944 persons. GMAD anticipates employment of approximately 1500 persons when the first shift starts this summer. The General Motors Assembly Division represents approximately a $200,000,000 investment and will cover approximately 1,000,000 square feet.

The Anaconda Aluminum plant, to be located in Logan County near Russellville, Kentucky will cover approximately 40 acres and represent an investment of approximately $400,000,000. Anaconda plans are to employ 400 to 500 persons in the first phase of production and possibly up to 1000 employees later.

The "Country Oven" Bakery of the Kroger Company will invest approximately $36,000,000 and employ upward to 500 people. They have requested assistance from the vocational school in training their personnel.

Our President and our nation are concerned because of increased inflation, high unemployment and a quality of productivity which can compete with other nations. We all understand the importance of high technology in maintaining the trade balance of the United States. What better way can we help solve these problems than thru vocational education. In a recent advisory committee meeting, we had plant managers from nine major industries present to give input and direction to the vocational programs.

Dave Adams, Plant Manager, Eaton Corporation-Cutler Hammer Products stated that industry and business can no longer manufacture products as they have in the past. In order to be competitive, maintenance and tooling operations have to be better than ever. He emphasized a need for more upgrade courses in specific areas of need, such as blueprint reading, precision measurement and others. Mr. Adams also pointed out that the school will need the latest equipment available in order to keep up the "State of the Art."

Earl Harper, Manager, General Motors Assembly Division, stated that one problem in industry is going to be a leap into computer controlled operations. The Japanese are ahead of us in this area, and in order to compete, we must also go in that direction.

In my opinion, there is a tremendous need for the American worker to sharpen his/her skills in preparation for an almost total shift away from the work that can be done with little training and for very low wages.

The next suit or pair of shoes you or I buy could very well come from a Second or Third World Nation, as will many other products of the soft goods category. There are vast pools of labor in these countries available to produce these goods at a fraction of our labor costs. Even if we export the basic materials and then import the finished product, the total manufacturing cost will generally be less.

This shifting of the point of manufacture can create an ever-expanding pool of unemployed labor in this country. These emerging nations are far from having developed the skills among the masses that would be suitable for high-technology manufacturing. This is something that we in this country can do and they cannot. And the need for us to produce and export products requiring higher skills will increase as the buying power of these nations increases.

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[3] These new figures have been developed by the Research Department of Associated Industries of Kentucky, bringing up to date earlier reports of a similar nature-the latest being several years back. The new data is based on the most recent average earnings in manufacturing in Kentucky, as reported by the Bureau of Labor Statistics. AIK derived the data for other classifications based on its own recent samplings. This data on retail sales was computed in the aggregate, then broken down by types of retail sales to reflect the spending habits of Kentuckians as shown in the Sales Management Survey of Buying Power.

As the world market for our high-technology products expands, we will then have a place for those people that have in the past been employed in the manufacture of soft goods. However, the training they have received, or would have received had jobs been available, is insufficient for the more complex jobs. More sophisticated training will be required. Along with this will be the need for more training funds.

As technologies change and some type employment are eliminated, it is absolutely essential that persons be retrained or upgraded for the new jobs available. In the Bowling Green ten county region only, the past year our vocational schools have offered 225 short term upgrade programs for 4,711 persons. An additional 1277 have been trained in specific programs to meet new and expanding industry needs. We need to have these supplementary classes continued, expanded and increased twofold.

In a vocational advisory meeting, Mr. Bob Lancaster, Plant Manager, Bowling Green FMC Corporation stated that the vocational school has been an excellent source of skilled people in the five years they have been in Bowling Green. He said they were always pleased to find an applicant who had been to the vocational school. He expressed concern about budget cuts for education and said he hoped it would not hurt the quality of vocational training programs. Mr. Lancaster stated that vocational education has done an outstanding job but some of the equipment is out-of-date, and more investment is needed in sophisticated tools.

I certainly hope Federal appropriations will allow vocational education to keep up with industry needs, because updated and relevant equipment is a must in providing quality programs.

Let's pause and discuss some other aspects of vocational education that are important to the overall economy. In Bowling Green, we realize that vocational education also provides quality programs to assist persons in the small business field. Our Distributive Education program has helped prepare sales and fashion personnel for many of the stores in our new 96 store Greenwood Mall development. The vocational school also offers a special program on "Going Into Business for Yourself."

The vocational education Fireman Training program has made great contributions to our region thru offering training for both volunteer and paid fire department personnel.

The vocational health programs are extremely vital to our community which is fast becoming a medical center of south central Kentucky. There is currently an extreme need for trained radiological technicians. Since there was a lack of facilities in which to house the program, vocational education in our region has worked out a plan where one of the hospitals will temporarily furnish classrooms and allow use of equipment for the vocational school to set up the training program. The vocational health programs are meeting a great need for necessary personnel to serve not only the hospitals, but nursing homes, dentists, clinics, doctor's offices, emergency medical programs, social service for the elderly, etc.

As vocational education contributes to the overall economy by helping to create new jobs, it simultaneously is impacting upon the social needs of the community, because each time a non-skilled worker is trained and placed in a job, most likely the standard of living for that worker and his family has been raised. As a result of un-employed persons securing employment, the impact is great on the national economy because fewer persons are on welfare. I believe this is the ultimate goal for all of us.

Vocational education programs which have helped attract industry to the Bowling Green area include programs in:

Auto Mechanics; Auto Body Repair; Carpentry; Civil Technology; Drafting I; Drafting Technical; Distribution & Marketing; Electricity; Electronics, Technical; Graphic Arts; Machine Shop; Refrigeration and Air-Conditioning; Secretarial; Small Engine Repair; Tool and Die Making; Electronics Servicing Operations; Welding;

Health Occupations: Practical Nurse Education; Respiratory Therapy Technician; Pre-Health; and Health Careers.

Vocational Business and Office programs, Distribution and Marketing and Industrial Education programs have made a great contribution to our economy thru cooperative programs in working with the business people and providing on-the-job training.

Home Economics Programs are serving the needs of many people. Many are qualifying for employment through programs in Commercial Foods, Child Care Services, and other gainful courses. Homemakers are much better prepared to meet the demands of Homemaking as a result of the relevant training received in the Home Economics programs.

The vocational agriculture programs are doing an outstanding job of training young men and women to be successful in agri-business, production agriculture, conservation and natural resources, horticulture, agricultural mechanics, and diversified agricultural occupations. Thru the Future Farmers of America organization many individuals have started some type of business operations.

Both the Chamber and the Industrial Foundation are pleased with the efforts being put forth by vocational education to increase the number of minority groups coming into the labor market.

Another effect vocational education has had on the economy is the training of handicapped persons who have some type of skill training. We have a number of handicapped persons enrolled at the Bowling Green State Vocational-Technical School and they are making excellent progress.

The population in the ten county area in south central Kentucky is currently 198,900 and expected to rise to 272,300 by the year 2000. Projected employment trends indicate a strong growth in all areas of employment, except mining, through 1990.

There is a work force of 92,508 persons in the ten county Bowling Green region. It is estimated that there are some 21,462 people in the area who are either unemployed or underemployed. An estimated 18,316 persons needed manpower services during fiscal year 1978. Economically disadvantaged persons needing manpower services numbered 9,289 in 1978.

The median school years completed for males over age 25 is 8.5 and 9.1 for females. This indicates a strong need for much advanced training for many persons in order for them to fully realize their potential. Approximately 29 percent of those who start to high school do not graduate. This leaves many with a need for further occupational training.

In 1977–78 there were 2,844 persons identified as having mental or physical handicaps in the age group 6–19. In 1978 twenty-seven point nine percent (27.9 percent) of the people in the Bowling Green Region were classified below poverty level. More available training should inspire these persons to remain in this area and become employed tax paying citizens.

There are many needs at the State and local levels for vocational education for youth and adults in order to meet the occupational demands that have been identified. Additional training programs based on Job Market Analysis need to be provided. Immedaite needs exist for training programs in the following areas:

Diesel Engine; Industrial Electricity; Plumbing; Radiological Technology; Medical Assistant; Dental Technician; Clerical; Energy Conservation; Industrial Plant, Maintenance; Computer Operation; Food Service Workers; Construction Workers; and Welding.

I would like to quote from one of your colleagues, Representative James R. Jones, from Oklahoma, who said in a recent article in the Journal of the American Vocational Association,[3] regarding future trends in vocational eduation. "The labor force will need skills and education to accommodate technological improvements. Who will run the new equipment and where will they get the know-how?" Representative Jones quotes economist Alfred Marshall who said, "The most valuable of all capital if that invested in human beings." Representative Jones goes further to say the "Innovative machinery and equipment are worth nothing if you do not have workers with appropriate skills to operate them."

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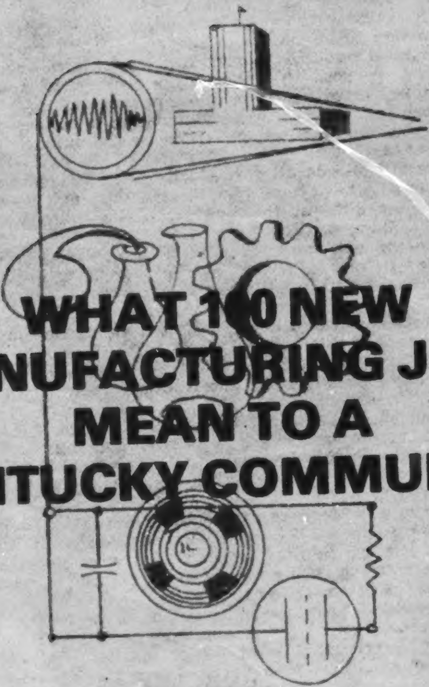
[3] AVA Journal, January–February, 1981



WHAT 100 NEW MANUFACTURING JOBS MEAN TO A KENTUCKY COMMUNITY

What 100 New Manufacturing Jobs Mean to a Kentucky Community

Every 100 new manufacturing jobs generate 74 other jobs (174 new workers) with substantial annual earnings.

100 jobs in the new industry itself	$1,437,696
74 other new non-manufacturing jobs	$ 886,608
174 total new jobs	$2,324,304

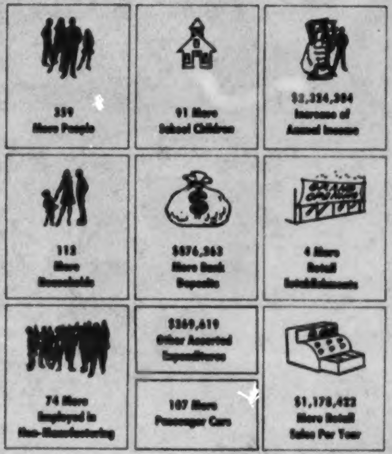
• *The new, permanent, non-manufacturing jobs break down, on average, as follows—*

5 Contract Construction	$ 33,779
5 Transportation, Public Utilities, Communications	87,807
21 Wholesale and Retail Trade	169,091
4 Finance, Insurance, Real Estate	42,134
16 Service Occupations	184,236
19 Government (all levels)	342,900
4 Other Occupations	78,071
TOTAL 74 Non-Manufacturing Jobs	886,608

How Kentuckians Generally Spend Retail Dollars

Here's how local retailers benefit from the additional $1,178,422 of sales:

$ 312,282	more to grocery stores	26.5%
94,274	more to eating and drinking places	8.0%
61,278	more to apparel stores and specialty shops	5.2%
58,921	more to furniture and household appliance stores	5.0%
208,581	more to automobile dealers and supply houses	17.7%
94,274	more to gasoline service stations	8.0%
78,954	more to lumber yards, building material, hardware	6.7%
44,760	more to drug stores	3.8%
156,730	more to department, dry goods and variety stores	13.3%
68,346	more to miscellaneous retail services	5.8%
$1,178,422	Total Additional Retail Sales	100.0%

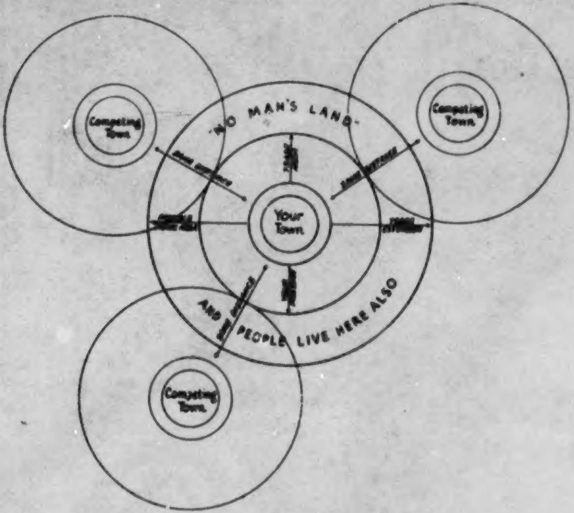

359
More People
91 More
School Children
$2,324,304
Increase of
Annual Income
112
More
Households
$976,363
More Bank
Deposits
4 More
Retail
Establishments
74 More
Employed in
Non-Manufacturing
$269,619
Other Assorted
Expenditures
107 More
Passenger Cars
$1,178,422
More Retail
Sales Per Year

The increased attention being accorded to the Kentucky business, tax and labor climate, and the increased competition for economic growth from other states have prompted a number of inquiries about the impact of new industrial jobs on a typical Kentucky community.

These new figures have been developed by the Research Department of Associated Industries of Kentucky, bringing up to date earlier reports of a similar nature - the latest being several years back. The new data is based on the most recent average earnings in manufacturing in Kentucky, as reported by the Bureau of Labor Statistics. AIK derived the data for other classifications based on its own recent samplings.

The data on retail sales was computed in the aggregate, then broken down by types of retail sales to reflect the spending habits of Kentuckians as shown in the Sales Management Survey of Buying Power.

CITIES DO NOT HAPPEN .... MEN AND WOMEN BUILD THEM



COMPETITIVE TERRITORY

While the community growth versus non-growth argument is indeed a valid subject for debate in this country today, the fact remains that there are still areas of the country that are seeking new industry and profiting by it, as is apparent in the Bowling Green-Warren County area.

Trade areas are determined mathematically, the retailers of a town might conclude that there is nothing they can do to change them, and hence, there is no reason for exerting themselves. This is a mistaken view. The town that is more progressive and will do something to attract people to their community will get more trade than the towns that do nothing to attract people to their trade center.

A good, enterprising trading center will attract more transient trade and lose less of its resident trade than will poor, unattractive trading centers.

The nature of economic growth, especially its qualitative aspects, is the realistic view; and the Bowling Green-Warren County area has one of the most outstanding diversified economic basis in the nation.

Bowling Green-Warren County
Chamber of Commerce, Inc.

Telephone 502-781-3200
550 East Tenth Avenue P.O. Box 51
BOWLING GREEN, KENTUCKY 42101

STATEMENT OF CONDITION

Prepared By The
Bowling Green-Warren County Chamber of Commerce, Inc.

21 Year Comparative

DECEMBER, 1959		DECEMBER, 1980	
Bowling Green Population	22,847	Bowling Green Population	Est. 50,000
Warren County Population	44,684	Warren County Population	Est. 74,900
County Building Permits	NA	County Building Permits	$15,269,091
City Building Permits	NA	City Building Permits	$40,404,917.03
Warren County Electric Meters	5,994	Warren County Electric Meters	12,511
Bowling Green Electric Meters	8,258	Bowling Green Electric Meters	16,389
County Water Meters	NA	County Water Meters	8,000
City Water Meters	7,608	City Water Meters	11,475
Gas Meters	7,881	Gas Meters	13,265
Telephone	11,903	Telephone	54,194
Manufacturing Jobs	2,986	Manufacturing Jobs	8,970
City Schools		City Schools	
Students	3,488	Students	3,691
Faculty	135	Faculty	242
County Schools		County Schools	
Students	4,953	Students	7,441
Faculty	203	Faculty	458
Western Kentucky University		Western Kentucky University	
Students	2,917	Students	13,600
Faculty	128	Faculty	708
Retail Sales	$34,791,000	**Retail Sales**	**Est. $386,600,000**
Deposits in Financial Institutions	$33,911,796	Deposits in Financial Institutions	$456,227,052.06

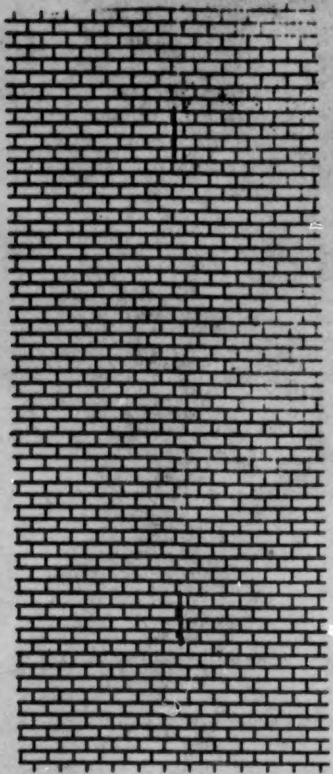
New and expanding industries announced in Region IV 1979-1980. (Department of Commerce publications issued April 1980, and January 15, 1981.)

NEW 1979-80

DATE	NUMBER OF INDUSTRIES		EMPLOYMENT	INVESTMENT
1979	Bowling Green	5	100	$ 2,226,000
1979	Horse Cave	1	120	6,000,000
1980	Bowling Green	2	1,750	220,000,000
1980	Fountain Run	1	40	NA
1980	Tompkinsville	1	300	15,000,000
1980	Franklin	2	112	70,000,000
	TOTAL NEW	12	2,422	$313,226,000

EXPANSIONS 1979-80

DATE	NUMBER OF INDUSTRIES		EMPLOYMENT	INVESTMENT
1979	Adairville	2	10	$ 375,000
1979	Auburn	2	22	295,000
1979	Bowling Green	17	105	12,318,500
1979	Franklin	8	110	12,127,500
1979	Glasgow	7	60	2,441,000
1979	Horse Cave	2	4	15,000
1979	Morgantown	2	NA	85,000
1979	Munfordville	2	7	195,000
1979	Russellville	5	17	1,275,000
1979	Scottsville	2	7	185,000
1979	Tompkinsville	1	15	150,000
1980	Adairville	1	8	210,000
1980	Auburn	1	NA	1,500,000
1980	Bowling Green	6	40	26,147,000
1980	Franklin	8	200	16,888,000
1980	Gamaliel	1	NA	600,000
1980	Glasgow	6	185	38,600,000
1980	Horse Cave	4	200	9,745,000
1980	Scottsville	4	2	2,134,000
1980	Smiths Grove	1	2	220,000
1980	Tompkinsville	3	5	349,000
	TOTAL	85	999	$126,255,000



Kentucky Manufacturing Developments in 1979

NEW MANUFACTURING PLANTS	60
EMPLOYMENT	3,323
INVESTMENT	$1,182,441,000
MANUFACTURING EXPANSIONS	609
EMPLOYMENT	5,887
INVESTMENT	$ 634,552,266
NEW SUPPORTIVE INDUSTRIES	8
EMPLOYMENT	410
INVESTMENT	$ 14,705,000

KENTUCKY DEPARTMENT OF COMMERCE
FRANKFORT, KENTUCKY

PRINTED WITH STATE FUNDS

New Manufacturing Plants Announced In 1979

Company	Est. Empl.	Est. Investment	Product
Bowling Green			
American Machine & Welding	4	$ 120,000	Machines, conveyors, heliarc welding, metric specialities
Bandy, Inc.	8 ✓	46,000	Box springs unit components
Bowling Green Pallet Co.	3	80,000	Wooden pallets
Plastic Packaging Co.	60 ✓		Containers
Viplex Plastics	25 ✓	2,000,000	Plastic pipe & fittings
Central City			
Knickbur Machines (Associated Pallets)	7	100,000	Wood working machinery
Cold Spring			
McBwain Mfg. Co.	70	500,000	Special machinery & machine parts
Dawson Springs			
Dawson Springs Mfg. Co.	15		Men's shirts
Eddyville			
Choctaw, Inc.	12	1,000,000	Drainage products
Elizabethtown			
Cloud Wilbert Vault Co.	17	225,000	Concrete burial vaults
Erlanger			
GKN Windsor, Ltd.			Plastic injection molding machinery
Roosevelt Paper Co.	100	3,000,000	Paper rolls
Florence			
American Tower Casters	20	1,000,000	Casters
Boston Gear (Incom International)	76	900,000	Industrial components supplies
Varlen Associates	50	3,000,000	Metal plating of plastic parts
Frankfort			
Aerobraze Corp.	100		Parts for aircraft nuclear & computer industries

Company	Est. Empl.	Est. Investment	Product
Henderson			
Schnadig Corp.	200	2,500,000	Furniture
Horse Cave			
Dart Container Corp.	120	6,000,000 ✓	Disposable plastic food containers
Kevil			
PMC, Inc.	2		PVC stabilizers
Leitchfield			
Baillie Lumber Co.	35	2,000,000	Hardwood lumber
Phar-Share, Inc.	70	295,000	Men's & women's clothing
Liberty			
Liberty Gate & Mfg. Co., Inc.	50		Gates
Louisville			
Cramer Stove	20	30,000	Wood burning stoves
Dant Corporation	10	250,000	Aluminum bleacher grandstands
FIBA Cryogenics	20	450,000	Cryogenic equipment
Marco Manufacturing	35	600,000	Fireplaces
Testing Advertising Techniques (Ennis Business Forms)	50	1,000,000	Printing of menus and business forms
Universal Woods	18	225,000	Laminated paper, plywood, particleboard, fiberboard
Wood-Tec			Stereo speaker boxes
Zeochem	20	8,800,000	Molecular sieves
Madisonville			
Carhartt Midwest, Inc.	30		Work clothes & outerwear
Modern Welding Co.		450,000	Steel fabrication
Marion			
Shewcraft & Associates	12	450,000	Creosoted railroad ties
Marrowbone			
Oshkosh B'Gosh, Inc.	135	500,000	Men's & boys' jeans
Mayfield			
Mayfield Machine & Tool Co.	20		Machine tools
Morganfield			
Sheller Globe Corp.	200	3,000,000	Automotive interior trim
Murray			
Fisher-Price Toys	150	10,000,000	Plastic parts for toys
Newman			
International Coal Refining Corp.	800	1,100,000,000	Solvent refined coal
Nicholasville			
Hospital Specialties	50	1,000,000	Hospital supplies
Owensboro			
Cowden Mfg. Co.	200	200,000	Apparel
Paducah			
Vulcan Materials	80	12,000,000	Secondary metal processing
Richmond			
Bio-Resources Corp. Subs. Gammachin, Inc.	20	150,000	Blood plasma
Halmich Corp.	100	2,500,000	Parts for electric generating plants
Vendor Mfg.	3		Pinball machines
Sebree			
KBI Industries	80	10,000,000	Grain refining & hardening alloys for the aluminum industry
Shelbyville			
Union Camp Corp.	150	8,500,000	Plastic bags
Somerset			
Super South Fibers	7		Hydromulch
Stanford			
Commonwealth Lumber Co.			Custom kiln drying of lumber

Company	Est. Empl.	Est. Investment	Product
Taylorsville			
Hite Ready-Mix Concrete Co.	4		Ready-mixed concrete
Mago Construction Co., Inc.			Asphalt concrete

1979 New Manufacturing Plants	
Number	50
Estimated Employment	3,323*
Estimated Investment	$1,182,841,000*

*Included in totals are confidential figures which are withheld from individual company listings.

Expansions Of Manufacturing Plants Announced In 1979

Company	Est. Add'l Empl.	Est. Add'l Investment	Product
Adairville			
Auburn Hosiery Mills, Inc.		$ 500,000 ✓	Women's hosiery
Odom Sausage Co., Inc. of Kentucky	10	75,000	Fresh & cooked pork sausage
Allen			
Hall Concrete Products Co.	5	75,000	Concrete blocks
Almo			
Kentucky Products Corp.	25	330,000	Candy
Annville			
Carpenter Construction Company, Inc.		106,000	Black top
Kentucky Mountain Industry	10	106,500	Tools, dies & metal stampings
Ashland			
Allied Chemical Corp.		5,000,000	Coke & coal chemicals
Armco, Inc.		15,000,000	Iron, steel sheets & coil
Armco Metal Products		130,000	Corrugated steel drainage pipe & related products
Ashland Fabricating & Welding Co., Inc.		18,000	Steel fabrication & repair welding
Johnson's Dairy, Inc.		50,000	Processed milk, ice cream
Kentucky Electric Steel Co.		15,000,000	Steel flats, bar angles.
National Mine Service Co.		1,000,000	Underground mining machinery
Patton Lumber Co., Inc.	5	105,000	Roof trusses, doors & windows
Auburn			
Caldwell Lace Leather Co.	20	275,000 ✓	Leather & leather products
Colonial House Furniture Co.	7	20,000	Furniture, cherry & walnut reproductions
Augusta			
Clopay Corp. Plastics Div.		600,000	Vinyl speciality films, surgical care products
Barbourville			
Tremco, Inc.	15	288,881	Caulking products, sealants, sealant tape
Warner's - Warnaco, Inc.		64,000	Ladies' apparel

Company	Est. Add'l Empl.	Est. Add'l Investment	Product
Bardstown			
Barton Brands, Ltd.		385,000	Whiskey, distilled spirits
Bird & Son, Inc.	80	500,000	Vinyl house siding
Lily Division of Owens-Illinois, Inc.		900,000	Food containers & labels
Ray Parrish & Sons	2	125,000	Concrete blocks
Beaver Dam			
Nottaway Division, Bliss & Laughlin Industries, Inc.		50,000	Vinyl-coated wire products
Western Kentucky Mfg. Co., Inc.		30,000	Soft plastic fishing lures
Bellevue			
Cincinnati Clock & Instrument Co.		15,000	Circuit breaker analyzers
Kentucky Cabinet, Inc.	4		Laminated plastic cabinets & counters
Benton			
Long Concrete Co., Inc.		90,000	Ready mixed concrete
Phelps & Jones		7,500	Ties & pallet material
Berea			
Berea Publishing Co.		2,800	Newspaper
Dresser Industries		300,000	Pressure gauges
Gibson Greeting Cards, Inc.		200,000	Greeting cards
Goodyear Aerospace Corp.	45	530,000	Industrial brakes & linings
Hyster Company		2,114,000	Electric lift trucks
Keller Industries		500,000	Aluminum extrusion & windows
Parker Seal Co.		112,000	Rubber "o" rings
Wyatt Supply, Inc.	2	100,000	Concrete blocks & ready mix concrete
[illegible]			
[illegible] Milling Co.	1	7,000	Feed for animals
Bonnieville			
Travel World, Inc. out of business!	20	19,000 ✓	R V motorhomes
Boston			
Jame B. Beam Distilling Co.		30,000	Whiskey, dried grain
Kirby Woosley & Son		378,000	Lumber, crossties, chips

Company	Est. Add'l Empl.	Est. Add'l Investment	Product
Bowling Green			
Atomaster Div.-Koehring Co.	✓	4,600,000 ✓	Portable oil fired space heaters
Bowling Green Div. - Green Bay Packaging, Inc.	✓ 6	100,000 ✓	Corrugated packaging materials
Cassady Furniture Co., Inc.		7,000	Cherry furniture
Continental Poly, Inc.	10	800,000 ✓	Polyethylene film & bags
Country Garden Mfg.	8	30,000	Silk flowers
Dibrell-Kentucky, Inc.		310,500	Packing of leaf tobacco
Gary Brothers Crushed Stone Company		400,000	Crushed stone & agricultural lime
Lord Kinematics	35 ✓	1,300,000 ✓	Bonded rubber
Mason Tool & Engineering	3		Tools, dies, special machines
News Publishing Co.	3	153,000	Newspaper
Page Welding Div. - Acco Ind.•	24 ✓	800,000	Welding Wire [illegible]
Phillips Ice Service, Inc.		75,000	Packaged ice
Smith Sweet Feed Mill, Inc.	✓	80,000	Feed & fertilizer
Trustee Truss, Inc. [illegible]	17	40,000 ✓	Building trusses
Union Underwear Co., Inc. ✓		100,000	Men's & boys' underwear
Western Kentucky Coca-Cola Bottling Co., Inc.		180,000	Soft drinks
Western Kraft Paper ✓		3,500,000 ✓	Shipping containers
Brandenburg			
Atlas Pallet, Inc.	50	950,000	Wooden pallets, skids & boxes
The Meade County Messenger		31,500	Newspaper
Bromley			
Friss Correctional Equipment, Inc.		16,500	Detention equipment
Burkesville			
Cumberland Printing		10,500	Printing
Burnside			
Derm Door, Inc.	8	25,000	Overhead garage doors, wood & metal
Hamer Lumber Co., Div. of Celotex Corporation.		100,000	Laminated hardwood & truck, trailer flooring
Butler			
Black River Mining Co.	8	4,100,000	Hydrated lime & pulverized lime
Jay Gee, Inc.	5	70,000	Sheet metal fabricate

Company	Est. Add'l Emp.	Est. Add'l Investment	Product
Flemingsburg			
Randall Co., Burkart-Randall Div.		18,000	Automotive & appliance trim
Florence			
American Isowall Corp.	4	75,000	Insulating panel
Cincinnati Ventilating Co., Inc.		350,000	Sheet metal products
Cindus Corp. - Decorative Products Div.	10	100,000	Decorative crepe paper
Devon Concrete Products Corp.		210,000	Concrete block
Equitable Bag Co., Midwest Div	50	1,000,000	Paper bags, polyethylene bags
Lasco Industries	10	105,000	Fiberglass architectural panels
Litton Unit Handling Systems	70	2,000,000	Conveyor systems
Lit-Ning Products Co., Div. of Hunt Mfg. Co.	30	275,000	Office products
Mr. Bartender/Cheftender Products, Inc.	5	12,000	Home bar/barbeque accessories
Natico, Inc.		15,000	Steel/fiber drums
Ohio Valley Balancing Co.		10,000	Filtration equipment
Frankfort			
Bendix Corp. - Heavy Vehicle Systems Group		800,000	Heavy vehicle air brake systems components
George W. Gayle & Son		8,000	Precision metal parts
General Electric		2,200,000	Plastic parts & materials
National Distillers Products, Inc.	125	8,900,000	Distilled spirits
Taylor Tot Products, Inc.	40	50,000	Juvenile furniture
Trigomster, Inc.	20	75,000	Bimetal discs, range plugs
Union Underwear Co.	100	3,000,000	Children's underwear
Franklin			
Anaconda Industries Brass Division	30	5,000,000 ✓	Welded tube for air conditioners copper tubing
Franklin Crop Service		30,000	Fertilizer & chemicals
Franklin Favorite-WFKN, Inc.		40,000	Newspaper
Franklin (cont'd)			
Kendall Co.		3,800,000 ✓	Industrial adhesive tape, surgical products
Neon Fluorescent Engineering Co.		3,500	Signs & plastic sign faces
Potter & Brumfield Div. AMF Incorporated		200,000	Electromechanical relays
Sealed Power Corp.	40	544,000 ✓	Piston rings
Southern Containers, Inc.	40	2,500,000 ✓	Corrugated shipping containers
Frenchburg			
Mor-Wood, Inc.	30	1,800,000	Hardwood lumber & pallet lumber
Fulton			
Fulton Daily Leader		38,000	Newspaper
Henry I. Siegel, Co.	40		Men's & ladies' jeans
Laine Vineyards & Winery	1	30,000	Table wines
Georgetown			
Electric Parts Corp. - Essex Group	40	212,000	Appliance and industrial wire
Georgetown Cable Products, Inc.		20,000	Electronic wiring harnesses, electronic sub assemblies
Georgetown Tool & Mfg., Inc.		90,000	Tools, gauges
Hoover Universal, Inc. Wire Spring Div.		1,500,000	Fabricated metal products
Hoover Universal, Inc. Springs System Div.		300,000	Fabricated metal products
Preferred Stampings, Inc.	10	150,000	Metal stampings
Stamping Ground Tool & Die, Inc.	20	140,000	Tools, dies molds
Glasgow			
D I Manufacturing Co.		100,000	Cheese & whey products
Glasgow Ice Co., Inc.		5,000	Ice
Glasgow Mfg. Co.	25	200,000 ✓	Ladies clothing
Kentucky Connector Corp.	5	97,500 ✓	Solderless electrical connectors
Kentucky Pants Co., #2	15	38,500	Work pants
Mallory Capacitor Co.	15	300,000 ✓	Electrolytic capacitors
Tyson Tapered Bearing Co., Div. SKF Industries, Inc.		1,700,000 ✓	Tapered bearings

Fulton Plastics

Frank Brown, Mgr.
via Howard Bry–

Company	Est. Add'l Empl.	Est. Add'l Investment	Product
Hopkinsville (cont'd)			
Thomas Industries		410,000	Residential lighting fixtures
USM Corporation Rivet Div.		80,000	Fasteners
Horse Cave			
Armco, Inc.	4	10,000	Corrugated metal pipe
Hart County Creameries, Inc.		5,000	Cheddar cheese
Hueysville			
S & H Manufacturing, Inc.		48,000	Mining scoops
Hustonville			
Hester's Feed Store	1	5,000	Feed, seed, & fertilizer
Irvine			
Estill Ice Co., Inc.	1	2,000	Ice
Jackson			
Prestolite Wire Div. - Eltra Corp.		450,000	Battery cables
Jamestown			
Farmers Feed Mill	1	3,200	Feed & fertilizer
Jeffersontown			
Jones Plastic & Engineering		455,000	Injection molded plastic parts
Louisville Golf Club Co., Inc.		11,500	Golf club wood heads
Reichhold Chemicals, Inc.		47,000	Vinyl plastics
Kevil			
Credence Speakers	5	16,000	Loudspeakers, crossover components
Kosmosdale			
Flintkote Cement Co. Kosmos Div.		2,000,000	Cement
Kuttawa			
Shawnee Plastics, Inc.		250,000	Plastic parts for autos & appliances

Company	Est. Add'l Empl.	Est. Add'l Investment	Product
LaGrange			
Anaconda Industries	30	6,000,000	Copper magnet wire
Southern States	2	62,000	Farm supplies, feed, seed, fertilizer
Lancaster			
Cowden Lancaster Co.	13		Bib overalls
Cumberland Tool & Die, Inc.		40,000	Plastic, rubber & die cast molds
Lawrenceburg			
Lawrenceburg Supply Co.		85,000	Lumber, hardware, & ready mix concrete
United Bolt & Screw Corp.		500,000	Automotive replacement parts
Universal Fasteners - Talon Div. of Textron		400,000	Metal buttons, snap fasteners, rivets, hooks & eyes
Lebanon			
Bourbon Cooperage Co.		120,000	White oak whiskey & wine barrels
Central Kentucky Tool & Engineering Corp.	2	89,000	Precision machine parts, tools, dies & stampings
Leitchfield			
Bel Cheese, Inc.	40	1,180,000	Cheese
Mid-Park Metal Products, Inc.	8	56,000	Machine shop, metal stamping
Vermont American Corp. - Leitchfield Div.		284,000	Carbide tipped saws, dadoes, & drills
Lewisport			
Martin Marietta Corp.	100	33,000,000	Aluminum scrap recycling
Lexington			
Audio Authority Corp.		28,800	Small electronic equipment
Burley Belt Chemical Co.		43,000	Agricultural chemicals, seeds, & fertilizers
East Kentucky Beverage Co., Inc.	10	600,000	Soft drinks
Fansteel VR/Wesson	25	500,000	Carbide tipped mining tools
General Electric Co. Kentucky Glass Plant	60	6,000,000	Glass bulbs for incandescent lamps
General Electric Co. Lexington Lamp Plant		4,000,000	Automotive headlamps

Company	Est. Add'l Empl.	Est. Add'l Investment	Product
Milton			
Fold-Away Basket Co., Inc.	4		Self-service shopping baskets
Monticello			
Bassett Products Co., Inc.		125,000	Crushed stone, ready mix concrete
Belden Corp.	112	2,700,000	Electronic wire & cables (multiconductor & coaxial cables)
Farmers Supply & Produce Co., Inc.	2	47,000	Feed, fertilizer
Monticello Flooring & Lumber Co., Inc.		100,000	Hardwood flooring
WPM Manufacturing, Inc.	40	12,400	Blue jeans & outerwear
Morehead			
Browning Mfg. Div., Emerson Electric Co.	25	1,800,000	Mechanical power transmission equipment
Cloud Concrete Products, Inc.	1	24,000	Concrete products
Cowden-Morehead Co.	10		Denim jeans for men, boys, & ladies
Morganfield			
Custom Feed Mills, Inc.	2	100,000	Livestock feed manufacturer
Mo-Vac Corp.		75,000	Custom metallizing, painting, silk screening, ad specialities
Union Fertilizer Co., Inc.	2	20,000	Blended fertilizers, seed corn, farm chemicals
Morgantown			
Kellwood Company		80,000	Rainwear & sportswear
Rone & McGuyer, Inc.		35,000	Wood pallets & sawmill
Mt. Sterling			
Trojan, Inc.	70	500,000	Electro mechanical assembly
Mt. Vernon			
Rockcastle Mfg.		440,000	Industrial garments
Mt. Washington			
Walker Machine & Tool Co., Inc.	20	146,000	Plastic molded products &

Company	Est. Add'l Empl.	Est. Add'l Investment	Product
Munfordville			
Anderson Forest Products, Inc.	6	180,000	Lumber
Munfordville Craft Shop	1	15,000	Steel & wood truck bodies
Murray			
General Silica Products, Inc.	6	45,000	Silica sand
Hutson Chemical Co., Inc.	6	1,200,000	Agricultural products
Murray Ledger & Times	2	47,500	Newspaper
Parker Popcorn Co., Inc.	1	10,000	Popcorn
Sager Glove Co.	40	750,000	Safety apparel
Vanderbilt Chemical Co.	13	7,000,000	Industrial chemical additives
New Castle			
Inland Chemical Corp.		72,800	Solvent mixes
New Haven			
Log Homes, Inc.	15	190,000	Log structures
Newport			
Interstate Asphalt Co.		200,000	Asphaltic concrete
Kindwell Screen Products, Inc.	5	86,000	Decals
Made-Rite Co., Inc.		35,000	Furnace pipe fittings
Multi-Craft Litho, Inc.	2	66,500	Commercial printing
Louis Trauth Dairy, Inc.	6	1,500,000	Milk, cottage cheese & ice cream mixes
Otto Zimmerman & Son Co., Inc.		21,000	Printing
Nicholasville			
Gulf States Paper Corp.		2,000,000	Folding cartons
Sargent & Greenleaf, Inc.		500,000	High security locking mechanisms
Owensboro			
Baskin-Robbins, Inc.	10	280,000	Ice cream
Greenwell-Chisholm Printing, Co.		20,000	Job printing
Hendrick Screen Co.		40,000	Industrial mining screens
Horton Mfg. & Machine Co.	2	13,500	Engine lifts, truck drive lines

Company	Est. Add'l Empl.	Est. Add'l Investment	Product
Richmond (cont'd)			
The Okonite Company		1,000,000	Insulated wire & cable
Richmond Publishing Corp.		25,000	Newspaper
Richmond Tool & Stamping	50	350,000	Tools, metal stampings
The Sherwin-Williams Co.		425,000	Automotive refinish coatings
Shifflet Slaughter & Process House		4,000	Processing meat products
Robinson Creek			
Colley Block		1,000,000	Concrete blocks
Russell Springs			
Russell Sportswear	132		Ladies' sportswear
Russellville			
Bilt Rite Products	9	200,000	Poultry cage equipment
Borden Chemical/ Smith-Douglas Div.		125,000	Fertilizer
Coca-Cola Bottling Co., Inc.		10,000	Soft drinks
Emerson Electric Co.	5	718,000 ✓	Hermetic motors
Southern States Cooperative, Inc.		225,000 /	Additional raw material storage
Scottsville			
Bryant Lumber Co.	5	85,000	Lumber
Woodstock Co.	2	100,000	Lumber
Sebree			
Carhartt Midwest, Inc.	40		Denim work trousers & bib overalls
Scott Mfg., Inc.	20	60,000	Metal building insulation, home insulation, fabricated fiberglass
Shelbyville			
Dotson Concrete, Inc.		80,000	Ready mix concrete
Kentucky Mold Co.	5	88,000	Ceramic molds
Landmark Community Newspapers, Inc.		75,000	Newspapers
Plastic Parts, Inc.	10	500,000	Furniture parts, computer housing
Roll Forming Corp.	30	1,000,000	Waste water treatment facility, water wash system for paint spray booths

Company	Est. Add'l Empl.	Est. Add'l Investment	Product
Shelbyville (cont'd)			
Valley Tow-Rite Div. of Scott & Fetzer Co.	90	170,000	Trailer hitches, & accessories, hand winches
Whittier Steel & Mfg., Inc.	4	20,000	Fireplaces & barbeque equipment
Shepherdsville			
A. J. Bayer Co.		177,000	Conveyor products
The Pioneer-News	4	50,000	Newspaper
Simpsonville			
Leggett & Platt - Middleton Div.		500,000	Swivel chair, sofa bed mechanisms & recliner chair mechanisms
F. B. Purnell Sausage Co., Inc.	10	750,000	Sausage
Smiths Grove			
Farmers Fertilizer Co.	1	45,000	Fertilizer blending & chemicals, seeds
Somerset			
Cornett Machine Shop		50,000	Engine machine work
General Electric Co.		500,000	Pressed glassware
Pulaski Block & Tile Co., Inc.		48,000	Concrete blocks
Ready Mix Concrete & Block Co., Inc.	7	470,000	Building supplies
Tecumseh Products Co.		500,000	Air compressors for refrigeration
Springfield			
All-Weather Insulation Co., Inc.		11,000	Insulation
Armour Food Company	5	193,500	Butter-dried dairy products, cheese
Robintech, Inc.	60	150,000	PVC pipe
Wheaton Plastics Co., Div. of Wheaton Ind.	10	120,000	Plastic bottles
Stanford			
Ceramichrome	8	30,000	Ceramic stains, molds

Company	Est. Add'l Empl.	Est. Add'l Investment	Product
Stanley			
Ben F. Medley & Co., Ky. Distillers, Inc.		180,000	Whiskey, vodka, gin
Stanton			
Sipple Brick, Inc.	30	2,025,000	Building face brick
Stoney Fork			
Brock Lumber Co., Inc.	7	53,000	Lumber
Sturgis			
Agrico Farm Center		5,000	Fertilizer
Circle-O-Farm Center	1	150,000	Liquid fertilizer
Saturn Machine & Welding Co.	20	66,000	Materials for coke oven industry
Summer Shade			
H. L. McMurtrey & Son		2,800	Truck bodies
Tollesboro			
R & S Salvage Co.		20,000	Wood pallets
Taylorsville			
B & B Screw Machine Specialities, Ltd.		34,000	Screw machine products
Tompkinsville			
Stephens Mfg. Co., Inc.	15	180,000 /	Ready mix plants
Tyner			
Phoenix Products, Inc.	5		Specialized canoes
Vanceburg			
Goodwin Lumber Co.		30,000	Lumber
C. J. Thomas & Son, Inc.		30,000	Pallets
U. S. Shoe Corporation		3,000	Ladies Shoes
Versailles			
GTE Sylvania, Inc.	30	300,000	Fluorescent lamps
Texas Instruments, Inc.		2,000,000	Appliance protectors & controls
Woodford Feed Co., Inc.		18,000	Feed, fertilizer
Wickliffe			
Advance-Yeoman	2	2,000	Printing & publishing
Westvaco Corp.	13	17,220,000	Fine papers & market pulp
Wickliffe Skid Co.	1	17,000	Wood skids & pallets
Williamstown			
Phillips Driscopipe, Inc.		587,500	Plastic pipe, tubing & conduit
Winchester			
Ale-8-One Bottling Co.		240,000	Ale-8-One
Bundy Tubing Company	50	225,000	Formed tubular products
Quality Mfg., Inc.	25		Production machinery parts
Rees Printing Co.	3	15,000	Commercial printing
Rockwell International		2,500,000	Heavy duty truck drive axles
Winchester Printing Services		3,300	Printing
The Winchester Sun Co., Inc.		107,000	Newspaper
Wurtland			
E. I. Du Pont De Nemours & Co.		875,000	Sulfuric acid & microfoam cushioning material

1979 Expansions of Manufacturing Plants

Number	605
Estimated Additional Employment	5,887*
Estimated Additional Investment	$534,562,285*

GRAND TOTAL - 1979 NEW AND EXPANDED MANUFACTURING PLANTS

Number	656
Estimated Additional Employment	9,210*
Estimated Additional Investment	$1,717,193,285*

*Included in totals are confidential figures which are withheld from individual company listings.

Prepared by:
Evelyn Wise
Department of Commerce
January 15, 1981

PRELIMINARY

NEW INDUSTRIES ANNOUNCED IN KENTUCKY

January 1 - December 31, 1980

LOCATION	EMPLOYMENT	INVESTMENT	PRODUCT
Beaver Dam			
Beaver Dam Industries	125		Textile
Bowling Green			
General Motors Corporation Automotive Division	1,500	200,000,000	Corvette assembly plant
Kroger Company	250	20,000,000	Bakery plant
Burkesville			
Stewart Warner	100	10,000,000	Radiators
Cadiz			
Cedar Chest Industries	25	125,000	Slacks
Campbellsville			
Keeton Products	60	550,000	Insecticide applicators
Cold Springs			
Fischer Special Mfg. Company	80	1,800,000	Internal shredded fasteners
Crittenden			
Timperman Brothers Mfg. Company	50	800,000	Truck bodies (van type & fiberglass reinforcements)
Cunningham			
National Ceramics	35	175,000	Ceramic lamp bases
Cynthiana			
Cynthiana Screw Corporation	22		Fasteners
Elizabethtown			
Alpha Recording, Inc.	8	60,000	Tapes & cassettes
Flint Ink Corporation	200	20,000,000	Resin inks & pigments
Industrial Welding	50	2,500,000	Machine tools
Rolla-Bearing, Inc.	14		Roller bearings
Elkton			
Flynn Enterprises	150	300,000	Men's & women's garments

New Industries Announced in Kentucky
January 1 - December 31, 1980
Page 2

LOCATION	EMPLOYMENT	INVESTMENT	PRODUCT
Erlanger			
Maruri, U.S.A. - Div. of K.K. Maruri Shokai	10	220,000	Ornamental porcelain ware
Flemingsburg			
Poured Walls, Inc.	4	16,000	Basements, silos, concrete structures
Fort Thomas			
Camco Chemical Co., Inc.		2,700,000	Chemicals, detergents
Fountain Run			
Sarasota Garments, Inc.	40		Garments
Frankfort			
Precision Woodworking, Inc.	5		Custom cabinets
Franklin			
Southern Machinery, Inc.	12		Micro computers
Georgetown			
Celtite, Inc.	60-100	5,000,000	Mining products
Georgetown Manufacturing (Kearney & Trecker)	250	20,000,000	Machine components
Hopkinsville			
Sabatasso's Pizza Company	125	4,000,000	Frozen pizza
Trace Industries	25-50	300,000	Camping stools
Jamestown			
Union Underwear	1,500	20,000,000	Clothing
Lawrenceburg			
Belden Corporation	25		Electrical applianc cords
Lexington			
Confederate Plastics	17		Plastic molding
Match Target Manufacturing	2	27,000	Bullets
Louisville			
Blanford Machine & Tool Co., Inc.	7		Tool & die
Eagle Graphics, Inc.	10	180,000	Letterhead, envelopes
Ironsides, Inc.	150	2,500,000	Automobile tires
Power Screen, Inc.	15	810,000	Screening
T.W.P., Inc.	2	300,000	Wood preserving

New Industries Announced in Kentucky
January 1 - December 31, 1980
Page 3

LOCATION	EMPLOYMENT	INVESTMENT	PRODUCT
Madisonville Real Earth, Inc.	12	2,000,000	Fertilizer
Millwood (Leitchfield) Escue Wood	50	1,000,000	Preserved wood
Mize (West Liberty) J. A. Oldfield & Son	5		Fertilizer
Mt. Vernon Mt. Vernon Plastics	19	1,900,000	Plastic injection molding
Murray Landolt, Ltd.	125		Women's jeans
Nicholasville Ignitor Products International, Inc.	20	300,000	Self-igniting torch head
Moore Corporation	40-50		Building panels, tool boxes, new products for metal buildings
Owensboro A & C Petersen, Ltd.	20	200,000	Pipe tobacco
Lynch Associates, Inc.	8	126,500	Printing
Shelbyville Century Industries, Inc.	15		Portable bleachers, concession stands
Shelby Forging Tool & Die	10		Tool & die
Somerset Somerset Tool & Die Corporation	8		Tool & die
Stanford Commonwealth Lumber Company	5	330,000	Fast drying lumber
Stanton American Truck Body, Inc.	20	750,000	Aluminum & steel dump truck bodies
Tompkinsville Belden Corporation Electronic Division	300	15,000,000	Electronic wire & cable
TOTALS (51)	5,737	335,194,500	

NEW FUEL RELATED INDUSTRIES ANNOUNCED IN KENTUCKY

January 1 - December 31, 1980

LOCATION	EMPLOYMENT	INVESTMENT	PRODUCT
Addison Ashland Synthetic Fuels, Inc.	1,500	300,000,000	Coal liquefaction
Bardstown Bardstown Fuel Alcohol	25-30	3,250,000	Ethanol
Brandenburg North Central Gasohol Corporation	75-100	40,000,000	Ethanol
Cynthiana Excel Products Company	60	10,000,000	Ethanol
Dover Kentucky Alternative Energy Assoc.	25	7,500,000	Ethanol
Frankfort National Distillers Chemical Corp.	95	5,500,000	Ethanol
Franklin Kentucky Agricultural Energy Corp.	100	70,000,000	Ethanol
Geneva (Henderson) Texas Eastern Corporation (Tri-State)	3,000	4,000,000,000	Liquid fuel, synt tic gas, chemica
Henderson W. R. Grace Transylvania Distillers, Inc.	 1,500 65	 3,000,000,000 27,800,000	 Fuel (Coal) Ethanol
Louisville National Distillers Chemical Corp.	150	2,000,000	Ethanol
Madisonville Alcohol Energy Corporation MGM Fuels, Inc.	 10 25	 2,000,000 1,000,000	 Ethanol Methane gas & methanol
Mayfield Mayfield Ethanol (Division of American Farmers Marketing Coop.)	36	40,000,000	Ethanol
TOTALS (14)	6,696	7,509,050,000	

INDUSTRIAL EXPANSIONS ANNOUNCED IN KENTUCKY

January 1 - December 31, 1980

LOCATION	EMPLOYMENT	INVESTMENT	PRODUCT
Adairville			
Odom Sausage Company	8	210,000	Sausage
Albany			
Albany Mills		50,000	Feed
Allen			
Porter Industries, Inc.		200,000	Metal
Almo			
Starks Concrete Works		200,000	Ready-mix concrete
Ashland			
Air Equipment		5,000	Industrial tools
Ashland Fabricating & Welding Co., Inc.		50,000	Steel fabricating
Ashland Milling Co., Inc.		5,000	Feed
Ashland Petroleum Co.	50	130,000,000	Gasoline & light petroleum products
Bob's Salads, Inc.		150,000	Salads
Johnson's Dairy, Inc.		50,000	Milk & ice cream
Kentucky Electric Steel Co.	16-20	20,000,000	Steel flats struc. & bar angles
Patton Lumber Co., Inc.	3	30,000	Windows, doors & lumber
Auburn			
Caldwell Lace Leather Co., Inc.		1,500,000	Leather, leather-laces, industrial gaskets
Bagdad			
Bagdad Roller Mills, Inc.	2	175,000	Feeds
Barbourville			
Advocate Publishing Company	2	50,000	Printing
Bardstown			
Heaven Hill Distillers	50-75	3,000,000	Distilled spirits
Lily Div. - Owens Illinois, Inc.	50	20,000,000	Plastic & paper packaging
R. A. Parrish & Sons, Inc.	10	575,000	Concrete blocks

Industrial Expansions Announced in Kentucky
January 1 - December 31, 1980
Page 2

LOCATION	EMPLOYMENT	INVESTMENT	PRODUCT
Baxter			
Lee Steel Corporation	25-30	550,000	Coal handling & weighing system
Beaver Dam			
Royal Crown Bottling Co., Inc.		40,000	Soft drinks
Bellevue			
Kentucky Cabinet, Inc.	2	3,000	Plastic casework
Berea			
Berea Publishing Co.		12,000	Newspaper
Dresser Industries		360,000	Pressure gauges
Goodyear Aerospace Corporation (Industrial Brake Operation)	100	5,443,000	Industrial disc brakes
Boaz			
Folsomdale Milling Co.	1	85,000	Feeds
Boston			
David Wallace Country Hams		21,000	Country hams
Bowling Green			
American Machine & Welding Co., Inc.		92,000	Repairs & fabricati
Cloud Concrete		515,000	Precast concrete products
Country Garden Mfg. [illegible]	40	80,000	Silk flowers
FMC Corp. Cable Crane & Excavator Division	—	25,000,000	Truck mounted lifted cranes
News Publishing Co.		210,000	Newspaper
James P. Rogers Lumber Co., Inc.		350,000	Wooden pallets, treated lumber an posts, home building material
Steen Concrete Products, Inc.			Concrete block, brick
Stressheim, Inc.		128,000	Leisure chairs, woo brush blocks, ot wooden items
Trustee Truss	13	200,000	Building trusses
Brandenburg			
Midway Meat Processing, Inc.	5	175,000	Meat processing

LOCATION	EMPLOYMENT	INVESTMENT	PRODUCT
Frankfort			
Bendix Corporation		700,000	Air brake components
Central Screw		400,000	Screws, bolts, nuts,
Frankfort Publishing Co.		1,150,000	Newspaper
Frankfort Tool & Die		1,200	Tools, dies, jigs, fixtures & press stampings
General Electric	30	2,400,000	Plastic parts & materials
Horn & Goin Company		30,000	Ready-mix concrete
Progressive Printers, Inc.		80,000	Commercial printing
Trigometer, Inc.		75,000	Emmission control, & electric range components
Franklin			
Brown Printing Co.	50	1,750,000	Printing
Fortune Plastics, Inc.	50	1,250,000	Plastic bottles
Franklin Division of Dayton - Walther Corp.	80-100	3,000,000	Semi-trailer leveling jacks
The Kendall Company		2,706,000	Adhesive tapes
Neon Fluorescent Engineering Co.		60,000	Electric signs
Sealed Power Corporation		5,000,000	Small engine rings
Southern Containers, Sub. of Weyerhaeuser Co.		3,087,000	Corrugated containers
Southern Gage Co.		35,000	Gauges
Fulton			
Fulton Publishing Co., Inc.	1	41,400	Newspaper
Gamaliel			
Haywood Co.		600,000	Clothing
Georgetown			
Clark Equipment Company		16,500,000	Electric fork lifts
Essex Group, Inc.		50,000	Cord sets & harness
Georgetown Tool & Mft. Co., Inc.	2	7,000	Tools, gauges
Hally & Gibson Georgetown, Inc.		1,396,644	Ready-mix concrete, crushed limestone
Stamping Ground Tool & Die, Inc.	15-18	550,000	Tools, dies

Industrial Expansions Announced in Kentucky
January 1 - December 31, 1980
Page 8

LOCATION	EMPLOYMENT	INVESTMENT	PRODUCT
Glasgow			
Cave-Lake Opportunity Workshop		150,000	Bed frames, jeep seat cushions, grade stakes, pallets
Cumberland Bedding, Co., Inc.		31,800	Mattresses & springs
Dairymen, Inc. Manufacturing Producers Div.		7,000,000	Cheese & whey product
Glasgow Ice Co.		75,000	Ice
Glasgow Mfg. Co., Inc.	25	95,000	Ladies clothing
Tyson Tapered Bearings Div. - SKF Industries	160	31,459,000	Tapered bearings
Graham			
Ensign Bickford Company	13	4,000,000	Detonating cordite
Greensburg Mfg. Co.			
Greensburg Mfg. Co.	10	30,000	Butcher blocks, cutting boards
Taylor-Green Ready Mix Co., Inc.		75,000	Ready-mix concrete
Greenville			
Clinton Pallet Co. of Kentucky, Inc.		177,298	Wood pallets
Geibel Lumber Co., Inc.		140,000	Pallets & skids
Muhlenberg County Opportunity Center		163,100	Pallets, signs
Harlan			
Durham Printing, Inc.		105,000	Job printing
Gaines Lumber Co., Inc.		36,000	Wood chips & lumber
Harrodsburg			
Corning Glass Works		17,600,000	Optical glass
Cudahy Foods Co.	100	5,000,000	Cheese & whey
Hall Mac - Huton Div. of Scoville, Inc.	25	200,000	Bathroom accessori
Hartford			
Agrico Chemical Company		300,000	Fertilizer & chemic
Hawesville			
Willamette Industries, Kentucky Mills Division	100	72,000,000	Wood pulp
Henderson			
American Chrome Company, Inc.	4	160,000	Furniture
Eaton Corporation - Axle Div.		4,000,000	Truck axle assembly
Kentucky Air Products, Inc.	1	1,200,000	Industrial gases
Period, Inc.		125,000	Furniture
Sandefur Training Center, Inc.		40,000	Corrugated produc
Scott Lumber, Inc.	20-30	3,750,000	Lumber, skids

Industrial Expansions Announced in Kentucky
January 1 - December 31,1980
Page 9

LOCATION	EMPLOYMENT	INVESTMENT	PRODUCT
Hickman			
Hickman Courier	2	100,000	Newspaper
Roper Pecan Company, Inc.		25,000	Pecans
Hopkinsville			
Burdines Printing Co.		40,000	Publishing
Ebonite Corp.	8	340,000	Bowling Balls
Estech General Chemical Corporation	2	80,500	Fertilizer
Faultless Div. of Bliss & Laughlin Industries		4,000,000	Plastics, diecast, cabinet hardware
Kentucky New Era		100,000	Newspaper
Plymouth Tube Co. - Extrusion Plant	25	6,000,000	Steel extrusions
Superior Graphite Co.	15	2,850,000	Synthetic graphite
United States Tobacco Company	12	6,600,000	Tobacco
Horse Cave			
Dart Container Corporation of Kentucky	150-200	6,500,000	Styrofoam cups & food containers
Hart County Creameries, Inc.		35,000	Cheddar cheese
Ken-Dec, Inc.		2,750,000	Zinc die castings
Southern States Cooperative		460,000	Fertilizer
Irvington			
Atlas Pallet, Inc.	30	875,000	Railroad ties & wooden pallets
Jeffersontown			
Chemetron Process Equipment, Inc.		115,000	Food & chemical
Jones Plastic & Engineering Corp.	20	400,000	Molded plastic appliances, hardware, cabinetry
Louisville Golf Co., Inc.	5	375,000	Iron & wood golf club heads
Merrick Business Forms, Inc.	5	360,000	Business forms & related products
Reynolds - Foley Co.		534,386	Printing
Kevil			
Kevil Broom & Mop Co.		33,000	Brooms & mops
LaGrange			
Ethyl Products Company - Division of Ethyl Corporation		7,400,000	Plastic products
Lawrenceburg			
Anderson County Farm Service		79,000	Feed
Florida Tile		500,000	Wall tile
Lawrenceburg Supply Company		20,000	Building supplies, ready-mix concrete
Universal Fasteners - Talon Div. of Textron	10	1,500,000	Metal buttons, snap fasteners, rivets hooks & eyes

LOCATION	EMPLOYMENT	INVESTMENT	PRODUCT
Princeton			
Caldwell County Times, Inc.			Newspaper & commercia printing
Special Metals Corporation	46	493, 000	Metal powder & superalloy forging stock
Ravenna			
Smyth Lumber Company		115,000	Rough & dressed lumbe
Radcliff			
Defilade Products, Inc.	2		Military clothing
Richmond			
AA Printing Co., Inc.	1		Printing
Builders Concrete Block, Inc.		40,000	Concrete block
Precision Products	2-6	100,000	Fixtures & machining
Richmond Publishing Corporation		40,000	Newspaper
The Sherwin-Williams Company	12	460,000	Automotive refinish coatings
Russell Springs			
Medaris Welding & Marine	3	15,000	House boats
Russellville			
Bilt Rite Products Company		100,000	Poultry equipment
Emerson Electric Company		1,000,000	Electric motors
Red Kap Industries	15		Men's work pants
Smith-Douglas Fertilizer		75,000	Fertilizer
Sacramento			
Sacramento Feed Mill, Inc.		140,000	Fertilizer, feed, seed
Salyersville			
Continental Conveyor & Equipment Co.	20		Conveypr equipment
Scottsville			
Bryant Lumber Company		700,000	Lumber
Farmers Feed & Fertilizer, Inc.		700,000	Feed, fertilizer, seed, grain
Gerald Printing Service		710,000	Printing
Woodstock Mills, Inc.	2	24,500	Lumber, crossties, re-sawn lumber

Industrial Expansions Announced in Kentucky
January 1 - December 31, 1980
Page 20

LOCATION	EMPLOYMENT	INVESTMENT	PRODUCT
Shelbyville			
Roll Forming Corporation	10	150,000	Custom roll forme shapes
Whittier Steel & Mfg., Inc.	5		Fireplace hardwar stoves & BBQ's
Shepherdsville			
Modern Designs, Inc.		1,500	Fiberglass produc
Simpsonville			
Purnell Sausage	20	1,750,000	Sausage
Smithland			
Richard's Meat Processing Company, Inc.		205,000	Processed beef, pork, mutton
Three Rivers Rock Company		1,250,000	Limestone product
Smiths Grove			
Farmers Fertilizer Company, Inc.	2	220,000	Fertilizer, seed, chemicals
Somerset			
Cornett Machine Shop, Inc.		63,626	Rebuilt engines, machine shop
Somerset Boat Company	50	1,250,000	Boats & accessorie
South Carrollton			
Kwick Kut Machines, Inc.		80,000	Sawmill machinery
South Shore			
Columbia Hydrocarbon Corporation		100,000	Liquefied petroleu gas
Springfield			
All-Weather Insulation Co., Inc.		9,883	Cellulose insulati
Montgomery & Smith, Inc.		150,000	Feed & farm suppli
Robintech, Inc.		1,200,000	Plastic pipe
Springfield Redrying Company		125,000	Tobacco processing
Stanford			
Ceramichrome, Inc.	5-8	1,403,000	Ceramic hobby supp
Cherokee Sales Corporation	2	15,000	Farm equipment
Cowden Stanford Manufacturing Company	30		Ladies & men's jea
Stanford Wood Products Company		550,000	Commercial fixture

Industrial Expansions Announced in Kentucky
January 1 - December 31, 1980
Page 21

LOCATION	EMPLOYMENT	INVESTMENT	PRODUCT
Stanton			
Continental Metals	350	1,700,000	Safety deposit boxe typewriter & oven components, tool boxes
Stoney Fork			
Brock Lumber, Inc.		80,000	Lumber
Sturgis			
Agrico Chemical Company	2		Fertilizer, seed & chemicals
Gene's AG Supply		370,000	Fertilizer, feed, chemicals, seed
MineSafe Electronics, Inc.	2	30,000	Methane monitor, mine phone & special electronic
Saturn Machine & Welding Company, Inc.	15-20	460,000	Coke oven equipment
Summer Shade			
C. H. McMurtrey & Son		50,000	Stock, grain bodies
Summersville			
Anaconda Industries	5	270,000	Magnet wire
Summersville Feed Mill		87,000	Feed, seed, hardware
Taylorsville			
B & B Screw Machine Specialist, Ltd.		90,000	Screw machine prod.
Tollesboro			
R S Salvage Company		110,000	Lumber
Tompkinsville			
Anderson Forest Products	3	60,000	Pallets
Monroe County Press	2	169,000	Newspaper
Monroe Sweet Feed Mill, Inc.		120,000	Cattle feed
Vanceburg			
Moore & White Lumber Company, Inc.		16,000	Lumber
Versailles			
GTE Products, Inc.	20	1,284,000	Fluorescent lamps
JOMCO.		200,000	Machinery & components
Woodford Feed Company		21,000	Feed, seed & fertilizer

STATEMENT OF HAROLD HUFFMAN, EXECUTIVE VICE PRESIDENT AND GENERAL MANAGER, BOWLING GREEN-WARREN COUNTY CHAMBER OF COMMERCE, INC., AND BOWLING GREEN-WARREN COUNTY INDUSTRIAL FOUNDATIONS, INC., BOWLING GREEN, KY.

Mr. **Huffman**. Yes; my name is Harold Huffman. I'm the executive vice president and general manager of the Bowling Green-Warren County Chamber of Commerce.

Chairman **Perkins**. Let me ask you to divert just a little. Tell us how you are working with industries and training facilities in Bowling Green, Ky., and whether you have any cooperative programs with industry. I would also like to know the condition of your equipment now in Bowling Green, Kentucky.

Let's get a little new evidence beyond what you've already got in the record.

Mr. **Huffman**. OK. Out of my 21 years in this particular job we have used the facilities of vocational education to a great extent to attract industry to our area. I can cite some examples such as General Motors, such as FMC Corp., and the Lord Kinematics Corp., and others.

But I can assure you that every industry that comes, that we go call on, and we make trips throughout the country asking them to come to Kentucky, No. 1 is how about vocational education, can you train our people. Yes, we can train your people. So we have used that as a tool, and we've averaged in excess of an industry a year for the last 19 or 20 years, and we will continue to do so as long as we get the help from the vocational education people, the CETA people, and such as that in making the people more usable.

I can assure you if we had not had, if we had not had vocational education and our CETA programs, and I'm tying them both together because we use both of them, we would not have had, I would say, 50 percent of our industries in our community today.

And as an example, our retail sales, I know it doesn't compare with Louisville and places like that, in the last 20 years retail sales have gone from $34 million to about $400 million in our county; and that cannot happen, Mr. Congressman, if we didn't have a diversified base of which we push for.

We've just completed negotiations and brought to Bowling Green the world headquarters for Geenan Underwear Co., moved out of New York. The Corning Glass people have——

Chairman **Perkins**. Have you been doing the training for those industries?

Mr. **Huffman**. They have been training. As an example, General Motors, a third of the vocational education and other phases, the CETA program, different ones, they have set up a miniature assembly line and have been training and are training people today; and I think they've trained over 900 people to make the new Corvette automobile which will come off the line in June of this year in Bowling Green.

Mr. **Perkins**. Will part of that be assembled in Bowling Green?

Mr. **Huffman**. That's under construction now. They will spend, I understand, about $36 million. They'll have, I think, three or four blast freezers, and they will make all types of pastries and bread and such as that and ship all over the country.

And these are just a few of the things. Our welding programs, our nursing programs, our secretarial programs, our programs in our vocational schools to train the people to go into business. There is no end. I could talk for hours on this, and I know that we can't afford to talk by hours. But I can assure you that if these funds are cut-off, and from what I hear they're considering doing so, you can rest assured that we're going to have to sell a lot harder in another direction which sometimes will not get the job done if you can't train the people.

As an example, I was just sitting back there with Mr. Charlie Peard, the man that answered your question, Mr. Hawkins, a while ago back there. And through his efforts we used the operating engineers CETA program, and they use that to train operators so that they could go from meager salaries to much better paying jobs and to get off the unemployment.

Chairman **Perkins**. Let me ask Mr. Rose a question.

Mr. Rose, does it make much sense to you for us to cut back, as Mr. Reagan has proposed, vocational education by 25 percent when the Reagan administration is talking about reviving the economy in Washington?

Since your business is directly related to defense, I would like for you to go ahead and expound on that question.

Mr. **Rose**. Mr. Chairman, it doesn't make any sense to us at all to have a cut in this area. We feel like it should be expanded because of the detailed training that goes into the technician, the toolmaker, for instance, that is required in our industry in order for us to make parts for the B-1 bomber, the helicopter rotor blades, the Space Shuttle.

We would like to see it increased to attract more young men and women and to provide the opportunities, and in turn we could provide opportunities for them.

Chairman **Perkins**. And what percent of your business did you say was defense-related and in what way.

Mr. **Rose**. Roughly 26 percent, and it's in the aircraft, helicopter, bomber-fighter.

Chairman **Perkins**. And these employees are receiving their training at Shelbyville Vocational Education School.

Mr. **Rose**. Yes, sir. They receive their basic training, and then they're equipped to enter our training program.

Chairman **Perkins**. And but for the training in Shelbyville would you be placed in a most uncompetitive position?

Mr. **Rose**. Yes, we would. If we had to do all of the training and all of the screening for these skilled people, it would place us in a position that we would not like to be in.

Chairman **Perkins**. Now, as you say, since 26 or 30 percent of your business is defense-related, do you think we may really be hurting our national defense by cutting back so much on vocational education?

Mr. **Rose**. Yes, sir, I do, because I don't know where on Earth we will train young men and young women to meet these demands without vocational education, with expansions of vocational education.

Chairman **Perkins**. I'd like for you likewise to respond to that question, Mr. Edie.

Mr. **Edie**. I find that over the period of time that we've been preparing programs, I think this was alluded to by Mr. Bill Evans, we built new facilities in our area. However, I'd like to point out those new facilities relate, as he has mentioned, some 10,000 people can't even get in those facilities if we could get them in that need training. However, in those facilities we went for almost 3 years with as many as 20 to 30 spots not manned. When I last attended LaGrange, we still were short teachers out there to teach those people who might come out in industry, but basically in our fields.

We don't have the funds to get teachers. Any further cutback would mean closing programs, and when you close a program, you're cutting out a number of people who could be trained.

We had at my last knowledge some 2,600 people who were waiting to enter our training program in just Jefferson State, one of our schools in Louisville where we have a tremendous amount of unemployment, and especially our schools located where minorities could attend if possible.

Any further cutback would increase the unemployment picture, and I would like to say that on our way over here it was discussed that I believe Mr. Cole could tell you they are employing some people instead of laying off, but they are needing people.

I have attempted for over 2 weeks to hire help myself at our company. I can't find qualified people. And I do feel that any cutback can be deterimental to our efforts.

Chairman **Perkins**. We will next hear from Mr. Turner, administrator of construction project training, Daniel Construction Co., S.C. We're delighted to welcome you here. And tell us how you feel about the cutback in vocational education that's proposed by the Reagan administration.

STATEMENT OF STAN TURNER, ADMINISTRATOR OF CONSTRUCTION PROJECT TRAINING, DANIEL CONSTRUCTION CO., GREENVILLE, S.C.

Mr. **Turner**. Thank you, Mr. Chairman, members of the committee.

I'm Stan Turner, administrator of construction project training for Daniel Construction Co. of Greenville, S.C. Daniel is an international construction company specializing in engineering, construction, and maintenance of heavy industrial projects such as power generating plants, pulp and paper mills, chemical plants, and petroleum refineries.

We require highly skilled personnel. It's our policy to hire local people to the extent that is possible for the construction of our projects. In order to use local people, vocational training is a necessity.

We do not normally have the leadtime to move into an area and train our own people. We do a great deal of upgrade training during the life of a construction project and always in cooperation with the vocational education system.

When construction is complete, this leaves the local person with salable skills to be used for the rest of their lives. Over the past 12 years Daniel Construction Co. has been involved in the training of over 35,000 people.

We are currently constructing a $400 million aluminum rolling mill in Logan County in the city of Russellville, Ky. We're working with the Barren River Regional Vocational Education Center in Bowling Green to place as many of their graduates as possible and to help upgrade the local and surrounding craftsmen to Daniel standards.

As the local work force gets older and as the state of the art becomes more advanced, the vocational education system and private enterprise must be able to upgrade and retrain the worker. We cannot allow him to be left behind by technological advances.

The Anaconda plant in Russellville will employ approximately 2,000 people during construction, will take more than 22 months to complete. It is planned right now that the majority of the people of those 2,000 jobs will be involved in one or more training programs.

The Barren River Vocational Education Region IV, in cooperation with the Bureau of Vocational Education's new and expanding industries unit, is offering the people of Logan County the opportunity to compete for these higher paying jobs.

Daniel recognizes the value of a vocational education as provided by region IV by offering employment to a region IV graduate at a significantly higher salary than a nongraduate. In some cases this higher pay can amount to as much as $75 per week more than a nongraduate would make. That money returns to the community in terms of spending, in terms of taxes.

Kentucky is no real exception. Daniel works in practically every State in the Nation. We're currently constructing a pulp and papermill in Columbus, Miss., an oil refinery in Amarillo, Tex., 11 nuclear units for Michigan, Alabama, South Carolina, North Carolina, Missouri, and Kansas, a corn products plant in California.

Because of this we have a great interest in seeing the reauthorization of funding for vocational education at the highest possible level. Engineering News Record has stated that construction is the single largest employer in this country with over 7.3 million employees. The Daniel marketing staff has determined that the construction industry will grow by three to six times during the 1980's, and gentlemen, this does not include synfuels work to be found in the State of Kentucky, West Virginia area.

For this reason States need additional funding for them to catch up and stay abreast of fast-changing technologies. Schools cannot produce high quality technicians without modern, high quality equipment and instructors. Both take money. Poor States do not stand a chance without Federal help.

It's been noted by our company that investment dollars in vocational training is often repaid in taxes in as little as 6 months to 1 year.

So on behalf of both vocational education and industry in Kentucky, I thank you for this opportunity to share with you our concern. We feel the key to the revitalization of the economy of this country lies with the cooperative effort and partnership between the Federal Government, vocational education, and private enterprise.

Thank you.

Mr. **Hawkins**. Thank you.

Mr. Huffman, did you complete your statement? I'm not so sure whether the questions interrupted you.

Mr. **Huffman**. Well, I didn't. Congressman Perkins said he had a lot of this that I made last year up there. If you see anything that you'd want to ask——

Mr. **Hawkins**. Well, you did make some reference to the use of CETA in connection with some of the training programs.

Mr. **Huffman**. Yes, I did.

Mr. **Hawkins**. I assume it was a combination of——

Mr. **Huffman**. That's not in here.

Mr. **Hawkins**. I see. It's not in the prepared statement. That's the reason that I thought I would ask you this. I assume it was in connection with vocational education and with the industries involved for whom the trainees were being prepared.

Mr. **Huffman**. Well, the particular one I was referring to, it's a special grant from CETA whereby that they provided through the Labor Department operating engineers, they provided an avenue whereby that people wanting to get, unemployed people or underemployed people wanting to get into operating heavy machinery would be able to be trained properly. In doing so you're able to make land available, prepare land for industry. So besides training people to operate heavy equipment, you're at the same time making land available that you can attract industry to so that you can use vocational education to train the people to get them in there.

So it's just a cycle that we have used very successfully over a period of now 20 years of operating the foundation of the chamber in Bowling Green.

Mr. **Hawkins**. I think one of the questions that has been asked of the various witnesses have been if the cutbacks in vocational education take place would you as private employers be able to undertake the training of the employees yourselves, and if so, how would the cost of this compare with the cost through vocational education itself. I think we've had one or two who did respond to that question.

May I ask if either one of the witnesses would like to state whether or not they believe their company would be in a position to undertake such training and whether or not it might be more expensive to do so than the current system?

Mr. **Rose**. I'll respond, if I may, sir.

Mr. **Hawkins**. Certainly. Go right ahead.

Mr. **Rose**. There's no question about it, it would be a must. We would have to undertake such training, which would mean we would have to have our own instructors, different training facilities, and then in turn we would have to pass the cost on to the customer which puts us in a position we do not like to get in. We cannot be as competitive if we have to do this.

Mr. **Hawkins**. Would it be cost efficient for smaller companies to do so, however? What would the smaller companies do as compared with the larger ones? They would obviously not be in a position to undertake such costly training, would they?

Mr. **Rose**. That's true. I suppose in a very small company it could result in the company going out of business. In the high skilled, high technical industry your lifeblood is the skilled people, and with no means of giving them their basic training, there's not much way to turn except close the door.

Mr. **Hawkins**. Does anyone else of the witnesses care to respond?

Mr. **Cole**. Well, an alternative solution is something that we had to go to. Approximately 18 months to 2 years ago we determined that we needed a maintenance electrician apprenticeship program in our facility. After successively negotiating this with the union, we found that we did not have a facility to teach maintenance electricians. So what we had to do was to contact other businesses, large and small, in the area, and we came together and we formed our own apprenticeship program utilizing the State vocational facility.

I think this is the direction with cutbacks and things that industry will be faced with. As Mr. Rose stated, you know, it's not what we do or how we'll accomplish it; it must be done in order to meet our needs.

Mr. **Hawkins**. Thank you.

Dale.

Mr. **Kildee**. Thank you, Mr. Hawkins.

President Reagan tells us that the present level of Federal spending is one of the causes of inflation. I think we all agree that Federal spending is certainly a factor. But do you believe that the funding of vocational education programs to increase modernization and to provide for reindustrialization in this country is inflationary?

It would seem to me that as we increase productivity, we decrease inflation. Does that make sense to you?

Mr. **Turner**. Congressman Kildee, yes. Vocational education's funding, our company is a little bit different from most of the others represented in that we train. We come to vocational education for a fairly basic knowledge. We improve that, and we have a very large training staff. If we can't get the basic knowledge, we're going to have to invest money in providing it, which is going to be passed along to our client who's going to pass it along to the rest of us.

The inflationary trend I think is going to be magnified by those steps more so than in direct Federal spending vocational education.

Mr. **Kildee**. So a good vocational education program will help modernization, help productivity, and in effect help control the cost of a product and therefore inflation.

Mr. **Turner**. And reduce the cost of it more than likely.

Mr. **Kildee**. Mr. Huffman, I come from the city that has the highest unemployment in the country, the city of Flint, Mich. It's a distinction I do not care to have, but we reached 25.9 percent unemployment last July. One of the reasons for that high unemployment is the Japanese imports. We have reached the point now where we have 1,800,000 Japanese cars brought in per year, whereas 10 years ago only 300,000 were being brought in.

We are told that the American automobile industry has a difficult time competing with the Japanese industry because the Japanese industry is so modern.

Will the new assembly line being constructed by General Motors in Bowling Green for the Corvette be competitive with the Japanese type of assembly line?

Mr. Huffman. Mr. Congressman, I think we're talking about two different types of automobiles. That's a specialized car.

Mr. Kildee. I know it's a specialized car.

Mr. Huffman. And I've been told by the officials of General Motors that they have not been able to keep up with the demand of the automobile, of this particular car. Now, whether that will continue I don't know.

Mr. Kildee. The point I'm asking about here, though, is that they will be using, I'm sure, the most advanced methods even for that specialized car.

Now, in using these advanced methods will GM be drawing strongly from the vocational education programs in Bowling Green for personnel to work with that modern equipment?

Mr. Huffman. That was one of the criteria that we worked on when they decided to come to Bowling Green was the training program that was offered at the time through the vocational education program.

Mr. Kildee. GM then did talk with the vocational education people.

Mr. Huffman. Oh, yes. Vocational education have worked religiously with them, and as of this day they still are. In fact, they are cooperating with them, and they have set up, as I mentioned a while ago, they've set up an assembly line. In my statement here some place I mention how many people they have trained. To this date I think that through these lines I believe they've trained about 900 people. The plant will not open until June, and they plan on training about 1,500 people.

Mr. Kildee. Then in your judgment, and I understand you've been involved in this for quite some time, you feel that the vocational education program in Bowling Green was a significant factor in GM locating its plant there.

Mr. Huffman. I think due to vocational education that we have attracted at least 40 to 50 percent of our plants that have indicated that vocational education is a very important part of the wheel that made them come to Bowling Green.

Mr. Kildee. And that would include the GM decision?

Mr. Huffman. It would include GM, too, yes, sir.

Mr. Kildee. Thank you very much.

Mr. Rose. Congressman, may I add something in addition to that in vocational education attracting new industries. In the particular industrial park that we are located in, almost every month I was talking to an industry out of State who was interested in that area. One of the first questions they ask, where do you get your skilled people, what facilities are available for training, Union Camp being one of those corporations that is located there.

But that was one of the first questions they wanted to know, what kind of vocational system do you have. Obviously there were other questions, but all were concerned with where do you get your trained people, what facilities do you have. And we were happy to refer them to our local vocational people for further questioning.

Mr. **Kildee**. So reindustrialization then is tied strongly to a good vocational education program.

Mr. **Rose**. Definitely, without question.

Mr. **Kildee**. A cut in that program would hurt industrialization then.

Mr. **Rose**. In my opinion it would do so.

Mr. **Edie**. I'd like to mention that in the Louisville area Brown and Williamson dropping and moving, American Air closing one of their places, which I believe is out near Shelbyville now, that the program for retraining has all been organized, and controlled, and developed by the vocational system.

And this is a very essential thing in industry because as we grow and change products, just the training, the initial training everyone knows now is one thing, but there is always this retraining necessary in the person's life who works in skilled training. And to cut that out would mean we would block out the possibility for someone resettling after a number of years, left without a job.

We find, for instance, in the Brown and Williamson many of those people don't have a high school education. In order to make them qualified even at their advanced skills or ages, GED programs are being reinstituted and bringing up to other levels. All this is done through vocational, and this is a very essential part of the community. It's a retraining of those people who for some reason or another have lost a job and have to start somewhere else.

Mr. **Kildee**. Thank you very much. I think you helped us a great deal. All of us in this country realize that we really have to begin to compete with Japan, for example, in the automobile industry and that reindustrialization is linked so closely with vocational education that any cut in vocational education is going to, to my mind, slow down that reindustrialization.

Mr. Huffman, you had a further comment?

Mr. **Huffman**. Yes. Carrying on in addition to what I just mentioned to you just now, in the period of 1979 to the present in our 10-county area we've acquired 12 new industries and 85 industry expansion creating 3,421 jobs. Of this number 1,277 or 37 percent have been trained through vocational education. I think this is what you are needing, such as that.

The total investment made by the 97 industries in this period from 1979 to the present time is totaling in excess of $439 million, and this is another indication of what can be done and what is being done.

Mr. **Kildee**. Thank you very much. I appreciate your responses. That's all, Mr. Chairman. I yield back the balance of my time.

Chairman **Perkins**. You go ahead, Mr. Hawkins.

Mr. **Hawkins**. Well, just one final question, Mr. Chairman, in preparation for the next panel which pertains to CETA. May I ask, however, this panel because this panel represents those from the private sector, whether or not title VII of CETA, which is the private initiative section of CETA and one of the few programs that will not be cut but actually be maintained at its current level with some carryin money left over, whether or not this title has been utilized by any of the companies represented on this panel.

Mr. **Turner**. We have four private sector initiative program training centers, two in South Carolina, one in Texas, one opening this month in Birmingham, Alabama, with plans for two more.

Mr. **Hawkins**. So you have taken advantage and you intend to continue to use it.

Mr. **Turner**. Of title VII, yes, and also II-B.

Mr. **Hawkins**. And have you been a member of a local private initiative council?

Mr. **Turner**. PIT council, yes.

Mr. **Hawkins**. You have. I see. Anyone else? I take it that the others have not actually been involved in title VII.

Thank you very much. Thanks.

Chairman **Perkins**. Mr. Turner, did I understand you to state that your business is somewhat similar to Mr. Rose's, that you are likewise involved in defense-related?

Mr. **Turner**. No, Congressman Perkins, we are not. Our parent company, the Fuller Corp.——

Chairman **Perkins**. Your parent company.

Mr. **Turner**. Our parent company does have several defense contracts, and our company is the open shop arm of Fuller, and we are not actively involved in defense contracting at this point in time.

Chairman **Perkins**. But for your company you utilize the vocational education schools.

Mr. **Turner**. Unbelievably so. The past month, Mr. Chairman, I've been in the States of Texas, Mississippi, South Carolina, and two trips to Tennessee and Kentucky dealing strictly with vocational education to train construction workers.

Chairman **Perkins**. To make sure that the adults and youth are trained to do your company's work.

Mr. **Turner**. Yes, sir.

Chairman **Perkins**. And as a result, your company sells products to a parent company that is directly related to defense, am I correct?

Mr. **Turner**. Yes, sir. That would be a reasonable assumption.

Chairman **Perkins**. Now, in that case does it make any sense to cut back here 25 percent in vocational education when we are trying to build up the defenses in America?

Mr. **Turner**. No, sir. A 25-percent cut in vocational education at this point in time does not make sense to our company at all.

Chairman **Perkins**. And your company makes parts for defense plants for its parent company.

Mr. **Turner**. Our parent company builds the plants.

Chairman **Perkins**. Your parent company builds the plants.

Mr. **Turner**. Right.

Chairman **Perkins**. Now, Mr. Rose, I want to get back to you again. Does it make any sense for your company when we realize that the cut is 25 percent? Of course you know the financial plight of Kentucky today; you're not going to get any more money from Kentucky, and you're not going to get any more money from your local school district there in Shelbyville. Do you see this as a backward step, assuming that the President gets his wish?

Mr. **Rose**. Mr. Chairman, I think it would be a serious mistake if we cut back any percentage. I think 25 percent is definitely a step in the wrong direction, because we hear so much about productivity, and to reach productivity we have to train people, and without the funds, or the skills, or the expertise to do so, it must be a step in the wrong direction.

Chairman **Perkins**. In reality, from your company's viewpoint in Shelbyville, Ky., this is a backward step, a false economy. We're going to pay out more unemployment compensation than we're ever going to save through a cutback in vocational education.

Mr. **Rose**. Yes, sir. I agree wholeheartedly.

Chairman **Perkins**. And I would like for you to reiterate again just the technical nature of your company's parts in Shelbyville, Ky., and how they're related to defense.

Mr. **Rose**. All right, sir. You're familiar, I'm sure, with the space shuttle vehicle. Our company makes and fabricates component parts for this vehicle. The latest aircraft, fighter aircraft, bomber aircraft, we have a number of component parts on each, helicopters, gunships, component parts for the aircraft rotor blades, various parts of the aircraft are fabricated in our plant by vocationally trained people.

Chairman **Perkins**. And if I understood you correctly, this proposal of President Reagan and Dave Stockman would more or less put small businesses out of business and bring on more unemployment. Could you explain that?

Mr. **Rose**. When we employ a young man or a young woman who has had vocational training, most of the time they have at least 2 years before we employ them, we're 2 years ahead of the time, we're 2 years ahead of the game. Without the vocational schools' ability to teach these people the necessary skills would mean we would have to employ instructors, and it just would delay our program, maybe a year, maybe 2 years. It would have to be done in house.

Some companies who are smaller than we obviously could not afford this type of instruction, and the result would be acquired by a larger company, maybe closing the doors, or I've heard many businessmen say if I get into any more complicated Government control or regulations, if you would, this must mean that I've got to close the door. And I think the results have got to be negative if we take any funds from the vocational system. It has got to affect us.

Chairman **Perkins**. Now, Mr. Turner, why does your company pay higher wages to graduates of the technical school?

Mr. **Turner**. In the specific area of region IV our company has gone in and looked at region IV's facilities, its instructors, their background, their curriculums, and their students. And it is our belief that a graduate of that program will come to our program much better prepared for the job that we have for him than someone who hasn't gone through their program. He'll come so much better prepared that we can advance him within our wage and salary structure.

And the determination based on our initial employment rate for a nonvocational/technical grad has been that in the craft of industrial electrician he can make over $75 a week more, the graduate can, than the nongrad. He's worth that much more to us.

Chairman PERKINS. Now, as a representative of your company, how many States do you travel in and visit vocational schools? Tell us what kind of a job they are doing.

Mr. TURNER. I have been to approximately 27 States where we have construction work and have visited one or more vocational technical centers in each State. From a construction point of view we are getting the majority of our workers out of a vocational technical system, and I believe that is an across-the-board statement for the industry.

We employ 50,000 workers at any given point in time, and the majority of those people came to us from some type of vocational system.

Chairman PERKINS. Mr. Hawkins, any further questions?

Mr. HAWKINS. No further questions.

Chairman PERKINS. Mr. Kildee, any further questions?

Mr. KILDEE. No. I'm through with my questions, Mr. Chairman. Thank you.

Chairman PERKINS. Let me thank this panel. We've had some outstanding business people on this panel. I want to thank all of you here this morning. You've been very helpful to the committee, and I want to assure you that we'll get the pertinent part of your testimony back to the Budget Committee in Washington. And I'm hopeful that we will be able to make sure that they do not put this 25-percent cap on vocational education. I thank all of you.

Now we have another panel. Dr. John Wells, commissioner of Kentucky Department for Human Resources, come around. Mr. Virgil Osborne, director of eastern Kentucky concentrated employment program.

Do we have a substitute for Virgil Osborne here this morning? All right. You're a representative for Virgil? All right. Sit right down here.

Dr. WELLS. With your permission, Mr. Chairman, I'd like to ask that Mr. Charlie Ferr, my administrative assistant, to accompany me.

Chairman PERKINS. Oh, yes. Go ahead.

And Mr. Steve Zimmer, Louisville-Jefferson County consortium.

All right, Dr. Wells. Without objection all your prepared statements will be inserted in the record, and we're delighted to welcome you here this morning. You go right ahead any way you care.

STATEMENT OF JOHN WELLS, COMMISSIONER, KENTUCKY DEPARTMENT FOR HUMAN RESOURCES

Dr. WELLS. Thank you, Mr. Chairman.

My name is John Calhoun Wells, Jr., and I'm the Commissioner of the Bureau for Manpower Services, Department for Human Resources, Commonwealth of Kentucky.

Our agency is a job agency for the State of Kentucky. We have about 15 different programs, 900 employees, and our major program is CETA, the balance of State CETA, which means that we have responsibility for the CETA program in 91 counties in the 120 counties in the Commonwealth.

Mr. Chairman, the President's proposal to eliminate CETA title VI public service employment funds by the end of fiscal year 1981, this will cost our program $9,100,000 and will put 1,481 Kentuckians out of work. He likewise proposes to end title II-D, public service employment. This will cost us $17,389,000 and put another 2,377 Kentuckians out of work.

The balance of State PSE jobs are substantive positions with a median salary of $7,650 annually. These participants perform vital services for Kentucky's counties and communities. For example, in 47 of the 91 counties they provide emergency medical services through our PSE positions. And just yesterday I might say, Mr. Chairman, the County Judges' Association met with the Governor and his representatives to make their plea that we're going to have new emergency medical services in over 40 counties in Kentucky if the PSE program in II-D and title VII is eliminated.

Chairman PERKINS. I'll tell you what you'd better do, John. If you can build a fire under the officials throughout this country and help us, it will be of invaluable assistance. Half of the Congressmen have the idea that there is no support for CETA even from the mayors and the county officials.

Am I right, Gus Hawkins?

Mr. HAWKINS. Absolutely right.

Chairman PERKINS. And we've got to turn that situation around. Some people can change their minds mighty easy away from home when they don't understand the true facts about a situation and don't stand up and fight. I think that's what happened up there when these crowds came to Washington a few weeks ago. They heard some flowery speeches about the economy.

It's necessary to stop inflation, but you're not going to stop inflation when you're killing the programs that will do more than anything else to stop inflation.

Mr. HAWKINS. And, Mr. Chairman, also in addition to that, the President over national television made the statement that these CETA jobs, public service jobs, are make work jobs.

Now, you're dealing with a very sensitive area when you're talking about the elimination of medical technician positions, and I think you relate that directly to lives, the lives of people. And I would hope that some of the other witnesses will emphasize this point, whether or not these in fact are make work jobs that should be eliminated. All of us would be for eliminating them if they were that, and I think that if any of you know of any experiences of that nature, you should tell us and put it into the record if that's what they are.

Chairman PERKINS. On the other hand, if that's entirely false, tell us. Go ahead.

Mr. HAWKINS. Yes, absolutely.

Dr. WELLS. Well, I can assure you that ours are not make work jobs, that in fact this delegation I know are going to meet with Congressman Natcher to make that same point, because many of the ambulance services which will be closed down are in his congressional district as well.

We have home health aides, nurse's aides, senior citizen aides, law enforcement officers in 30 counties are paid for through our CETA program. Weatherization workers, teacher's aides, several Head Start programs in fact are run in a partial amount by CETA workers. And that's just a sampling.

We're also going to lose title VIII, the Youth Conservation Corps, Young Adult Conservation Corps program in Kentucky. In this State that's working very well, Mr. Chairman. We're working with the Fish and Wildlife Department, and they're doing a good job. And we're going to lose 1,055 individuals there, and it's going to cost the State of Kentucky over a million dollars.

Let me just give the aggregate numbers in the loss now. Proposed elimination of CETA's titles II-D, title VI, and VIII will cost the Bureau for Manpower Services, the State of Kentucky, in these 91 counties $27,544,000, and it costs us nearly 5,000 jobs, 4,916.

Now, if we aggregate the figures for the other prime sponsors in Kentucky as well, we come up with a grand total of loss of $44,708,000 from our economy and over 8,000 jobs, 8,746.

Now, let me relate this if I may, sir, to unemployment in the Commonwealth of Kentucky. As you know, Kentucky has experienced an unusual amount of unemployment. Last year alone we ranked No. 9 in the Nation with an unemployment rate of 8.1 percent as opposed to the national rate of 7.1 percent.

In January we jumped to 10½ percent, 10.5 percent unemployment in Kentucky which made us fifth in the Nation in unemployment. As you know, Mr. Chairman, in your congressional district it's far higher than that. In many counties it's in excess of 20 percent.

Now, the addition of these 8,746 PSE participants to the rolls of the unemployed will increase Kentucky's rate a full half percent, from 10½ percent to 11 percent. And the slow pace of our economic growth in the Commonwealth and the fact that our CETA participants have low skills, jobs skills, almost insures that upon termination of the CETA experience, these individuals are going to go onto the unemployment rolls, and we're going to really flood the welfare offices, unemployment lines, food stamp lines of Kentucky.

Thus, it seems to me that Mr. Reagan's proposed CETA cuts would transform the CETA participant from a productive member of society learning a skill and performing a central service into a dependent claimant subsidized by the various social welfare programs and performing no useful societal service.

And I think that it's not cost effective. It's a basic contradiction of the President's philosophy. We're trying to train these individuals for productive work. We're trying to assure that they perform good services for the community, and we're going to make them unemployed and just get a welfare subsidy. And I feel very strongly we need not do that.

Although Mr. Reagan led us to believe his proposals would phase out CETA in an orderly manner, at the end of the present fiscal year and during the next fiscal year his emissaries have already begun this process. On the 26th of January I was notified by the Department of Labor that our fiscal year 1981, the present year, title VI budget was being reduced by 30 percent.

Then on March 11, just a few weeks ago, I was again directed by the U.S. Department of Labor to further reduce title VI by an additional 32 percent. So in effect they've already cut us back 62 percent. They're making every effort just to annihilate this program just as quick as they can without any regard to the will of

Congress on these proposals, and also to reduce title II-D by 39 percent.

And I would say these ambulance services, that's the reason they came to me with the Governor just yesterday because they're in perilous financial straits. They're not even sure if we're going to be able to continue this service to the end of this month.

The effect of these reductions to terminate title VI in the coming days and weeks before Congress has had an opportunity to review this proposal——

Chairman **PERKINS**. I can tell you that these people who are using that red pencil have got no heart in Washington. They are even proposing cutbacks in 1981 funds that have already been appropriated. They have begun to offer rescissions and try to kill off programs, but we're going to resist that the best we can. We're going to have a hearing, Gus and I decided last night, a very extensive hearing in Washington this week on the CETA problem before we go to the Budget Committee.

Go ahead.

Dr. **WELLS**. Vocational education, as has been eloquently testified earlier, is going to share in these cuts, some 25-percent in the proposal. The Bureau for Manpower Services provides an excess of $7 million to the Kentucky Department of Education for vocational educational training of approximately 2,700 low income students.

While most of these CETA dollars come from title II-B and C classroom training, a substantial portion does come from II-D and VI as well, and so we're going to see in addition to the 25 percent cut which Reagan is proposing, the elimination of titles II-D and VI is going to substantially decrease the amount of money which we have for vocational educational training.

This is happening at a time at least when Kentucky vocational education is making a substantial effort to train the adult chronically unemployed individual. You heard earlier some things they have done in Kentucky. I can testify to that because we work very closely with vocational education.

The General Motors plant in Bowling Green is a prime example of that. We were very much involved in organizing that training effort. Mr. Charlie Ferr of my staff was the lead staff member. They're going to put about 100 individuals to work, CETA eligible, Mr. Chairman, of the first 1,000 they hire, individuals who would have never had a chance to get an outstanding salary like that without that kind of vocational education which we provide the money for.

Mr. **KILDEE**. These were CETA employees?

Dr. **WELLS**. CETA eligible.

Mr. **KILDEE**. So these are not just make work jobs. You gave them training; General Motors then will employ them.

Dr. **WELLS**. General Motors, UAW jobs in Bowling Green, $6, $8, $10 an hour.

Mr. **KILDEE**. Mr. Reagan's characterization of CETA as make work type jobs is not an accurate characterization then.

Dr. **WELLS**. Well, it just shows how little the President really understands the program, sir.

Mr. **KILDEE**. And how ill-advised he is by Mr. Stockman.

Dr. **WELLS**. Yes; I would certainly agree with that statement.

Mr. **Hawkins**. Could I interrupt at this point, Mr. Chairman?

Chairman **Perkins**. Go ahead.

Mr. **Hawkins**. To raise another point which I would hope would guide the witnesses in making their response. The other great issue that's made by the administration is that in view of the vital nature of these services to local people that the local governments would and should be willing to assume the cost of operating them.

Now, keeping that in mind, as these positions are being abolished, have you had any success at getting the individuals concerned assumed by local governments, by the State, or by the counties or cities involved?

Dr. **Wells**. Well, let me answer first, Mr. Hawkins, and say yes. We have several CETA individuals. I have a staff in excess of 900. We have several CETA participants who work in the Manpower Services office throughout the Commonwealth of Kentucky, from Paducah to Pikeville, from Covington to Middlesboro.

After they have been involved in a program and have had this experience, we have transitioned many of them into full-time employment as State government workers. I think we did 50 or 60 this past year during the 14 months I've been in this position alone. I know many of the county judges after the CETA training period has ended have transitioned these individuals onto their rolls as full-time county employees.

But the fact of the matter is it's not being done in an orderly process. They're cutting them off. And we thought they were going to eliminate these programs at the end of the fiscal year or attempt to, and as I've already indicated, they've already eliminated title VI, 62 percent.

There has been a substantial amount of employment of our title VI——

Mr. **Hawkins**. Well, the point that you're making is that if given an orderly process that many of them would be transitioned into local governments, which would be their entry into the unsubsidized labor market.

Dr. **Wells**. It has been happening, Mr. Hawkins.

Mr. **Hawkins**. But if you do not have the opportunity to train them in the first instance or to do it in an orderly cycle, that it will not take place. Is that what you're saying?

Dr. **Wells**. That is correct. It is going on. It is happening. You see, let's take an emergency medical technician, for example, who helps operate an ambulance or dispatcher service. After they've been in the CETA program 52 weeks, 78 weeks, they're a skilled technician. They know what they're doing. They're individuals who can save human lives. So they have been transitioned into full-time employment in these counties, in these communities.

But you just can't take someone cold without that kind of skill and training and make them a skilled technician driving an ambulance, administering to the needs of accident victims, et cetera. We have to I think a rather significant degree been able to transition these participants into full-time employment in the counties and cities of Kentucky.

The President has promised the American people that his proposed budget cuts will spur our economy to new levels of growth and prosperity and will dramatically reduce unemployment. It's mystifying to me how this may be expected when one considers that the consequences of the proposed CETA cuts alone will achieve precisely the converse.

That leads me if I could, Mr. Chairman, to consider what the real motive really might be of our President. What does Mr. Reagan really have in mind by his proposed actions and what does it mean for this Nation? If I could, Mr. Edward Pritchard a fellow Kentuckian of ours, had a conversation with me about this not too long ago, and he made four points which I would like to share with the committee about the real implications of Mr. Reagan's budget cuts. And if we can extrapolate, take this further than just CETA vocational education.

First, it represents a massive redistribution of income at the expense of the poor and the working poor in favor of the rich and the affluent. As Jesus said about the harsh taskmaker in the Parable of the Talents, "To him that hath shall be given; from him that hath not shall be taken away, even that which he hath."

Chairman Perkins, I can't help but think of that great folk hero of England, Robin Hood, and see a perversion of Robin Hood in this administration. Their proposal is Robin Hood in reverse, stealing from the poor, the weak, the sick, the lame, and the blind and giving to the powerful, the rich, the affluent. That's exactly what this budget means from my perspective, sir.

Second, it represents a massive redistribution of responsibility and functions away from the Federal Government to the State and local governments, but without adequate resources for State and local governments to finance these new responsibilities.

You know, it's one thing to say let's return government to the people. Everybody is for that vague, simplistic principle. But it's something else to say you continue to perform these valuable, useful services, but you worry about how you're going to pay for them, and we're just going to start cutting you off just as quick as we can.

That's what they're doing, and that's a fraud which is being perpetrated on the American people, Chairman Perkins.

Third, it represents a massive shift away from programs for people to programs for the military, away from civilians to the military-industrial complex. And the military-industrial complex is not being subjected to the same scrutiny for waste and inefficiency as is being done to social programs.

I recall seeing Mr. Elmer Staats, the venerable previous director of the GAO on TV just a few weeks ago on which he said the waste, the abuse and the fraud in the military alone in the contracts, the cost overruns, would amount to $10, $15 billion. But they're not looking there. No; they're looking to the powerless who can't fight them back. That's where they're looking.

And finally, Mr. Reagan's budget represents a massive assault upon the life support system of society, upon medical research, upon health care, upon education, job training, the environment. In the Department of Human Resources alone, and for the benefit of the other members of this committee who are not familiar with our State government, that is the people arm of government which represents one-third of our State government in budget and personnel, Mr. Reagan's proposal will cut $150 million this year alone,

$150 million out of that budget. And that's medicaid, that's social security disability, that's Food Stamps, that's AFDC. He's even cutting back on black lung now, and obviously he has not had the experience of seeing what black lung does to a human being.

Mr. Chairman, I am of the opinion that if enacted, Mr. Reagan's budget will have a disastrous impact upon this Nation. The poor and working poor will be reduced to pauperdom. Welfare rolls will swell. Unemployment lines will lengthen, and an even greater burden will be placed upon taxpayers to pay for the expanding subsidy program that is necessary to sustain these individuals.

Under your chairmanship the House Education and Labor Committee led the fight in Congress for progressive social policy and programs. I am pleased to see that it is rising again to stand against the Reagan assault. I am pleased to stand with you.

Thank you, members of this committee, for making this fight. Thank you for the little people of Kentucky and the little people of the United States.

Chairman **Perkins**. Thank you, Dr. Wells.

All right, Mr. Kershaw. You've been with this program a long time, and you should understand it as well as anybody; we'd be delighted to hear from you at this time.

STATEMENT OF TOM KERSHAW, EASTERN KENTUCKY CONCENTRATED EMPLOYMENT PROGRAMS, INC.

Mr. **Kershaw**. Thank you.

Mr. Chairman and members of the committee, thank you for this opportunity to appear before you.

My name is Tom Kershaw, and I'm employed by the Eastern Kentucky Concentrated Employment Program, a prime sponsor of the U.S. Department of Labor Employment and Training Administration activities. My comments will be on behalf of Mr. Virgil Osborne, executive director of EKCEP. He sends his regrets for not being able to attend, but illness in the family precluded his presence here today.

Frankly, I'm concerned, to put it mildly. I'm concerned because I fear the budget cuts proposed by the present administration, if approved, will have a far more extensive cumulative deleterious effect than is currently anticipated.

I can only speak knowledgeably about eastern Kentucky because that's where I live and work. We believe that education and training are the key elements to breaking the chains of unemployment and poverty binding our people. We believe that activities through our educational systems and CETA are responsible to a large extent for the improvement of the quality of life in eastern Kentucky, and we believe that continued improvement is directly related to continued confidence and support.

The present system is working well in eastern Kentucky, providing hope to people who had struck out every place else. I could cite examples all day of the people who have been able to leave welfare rolls, take part in CETA-funded training and become taxpayers.

We enjoy an excellent relationship with the educational community in eastern Kentucky. Through this relationship with vocational education, a wide array of classes is offered to CETA participants. For example, we plan to invest nearly $3 million in vocational education participant allowances alone this fiscal year. Since October 1980 we have served 443 persons in this component, providing classes in heavy equipment, plumbing, mine machine repair, LPN training, carpentry, secretarial, and simulated mine training, to name but a few.

In the summer, young CETA participants are exposed to vocational education through a program which provides them an introduction to the many available courses. The proposed 20 percent cut in vocational education and the CETA cuts combined would sharply reduce the variety of courses and the numbers to which these courses can be made available.

I'm concerned because I see not a logical, orderly shift in national fiscal policy, but a wholesale overhaul which appears to be expanding. The first indications were that CETA title VI only was to be cut. As title VI was designed as a countercyclical measure with a temporary lifespan, this cut was fairly predictable.

Title VI came about rapidly and brought with it the problems which may logically be associated with gearing up a program that quickly. In the early stages of title VI apparent abuses of the program appeared frequently in news media. Since then there has been a stabilization of the program, and far less bad press; but I guess it was inevitable that title VI be cut sometime.

Then title II-D was added to the cut list. This loss was not quite as understandable, as II—D was an important element of the original CETA legislation. Title II-D gave prime sponsors a vehicle to provide economically disadvantaged unemployed persons with transitional employment and jobs providing needed public services.

The impact of the loss of these two programs on eastern Kentucky is staggering. The projected unemployment rate for our 23 county area was 13 percent in January 1981. This means of every 100 persons in our area desiring to work, 13 were unable to find it, This rate is the highest in our area since we began maintaining charts on unemployment rates in January 1975, and I suspect it's higher for a long time before that.

Individual counties, of course, have higher rates for the month of January 1981. Jackson County with 21.2 percent, Lee with 22.8, and Menifee with 26.5 as examples. Traditionally, unemployment rates in eastern Kentucky rise two to three points from January to February. This means that our unemployment rate for February was probably 15 to 16 percent, and this rate does not include the impact of slashing titles IID and VI which would raise the rates nearly another whole point when 1,500 persons find themselves suddenly without a job.

The other side of the public service coin is the levels of public service. Right now PSE workers are active in ambulance services, road maintenance, sanitation, recreation, weatherization and home repair for the disadvantaged, general building maintenance, and even police and fire protection.

If public service employment avenues are closed to our counties. who will fund these activities? The counties won't be able to, or if they do, they will have to reduce other services accordingly. The end result of reductions to current public service employment activities can only be detrimental to the area.

I'm concerned because cuts in addition to public service employment are looming. Removal of PSE from the tools available to prime sponsors is bad enough. Reductions in other areas are a tragedy.

In eastern Kentucky we have determined that two of our priority groups are youth and older workers, so we operate under CETA a large in-school program for youth and an income maintenance program for older workers. We presently have nearly 2,000 in-school youth and nearly 700 older workers enrolled. Our in-school program is projected to cost over $1 million and our older worker program $4 million.

Our cost for placement is higher in these programs than in others, and our entered employment rate is lower. But we think we're utilizing CETA to its fullest extent, meeting the employment and training needs of those identified with the most need in our area.

Utilizing CETA services to keep youngsters in school, thus better preparing them for career planning and decisionmaking, helping them have the advantage of a high school diploma when they are searching for jobs we feel is a hedge for the future. We feel we can provide the services now at a lower cost or later on welfare programs at a much greater cost.

The older workers we serve also have special needs, we feel. I hope it is still preferable in this country to provide a person with honest work and an honest paycheck for that work rather than have him stay home and draw money for doing nothing. We can't help but feel that there is more dignity in a job, even if it is a subsidized one.

If the proposed CETA cuts come about, these programs, because of their low-job placement rate, will have to be reduced if not cut out altogether. What will happen? Will the school dropout rate begin to increase again? Will more older workers have to fall into the social safety net? Can the safety net hold all of them or will it have to grow considerably?

We have been told not to take proposed cuts personally, but that's kind of difficult when you have a staff as dedicated as ours. Concerns I hear around the office are not what's going to happen to my job if these cuts are approved, but rather what will happen to the people we're trying to serve if these cuts come about.

Estimates are that approximately one-third of our administrative moneys will be lost; yet concerns appear to be mainly about our participants rather than our staff from our staff people.

I am concerned because I feel there are better ways in dealing with some of CETA's problems in program cuts, better ways of tightening our money belts. Within the CETA regulation are rules which are both costly and detrimental to the accomplishment of the defined goals.

No. 1, at present participants receive at least the Federal minimum wage during their training. Some of them have to take a cut in pay in going from training where they received the minimum wage with no deductions to an entry level job at minimum wage with deductions. Wages and allowances at a rate of 80 percent of the minimum wage would reduce expenditures, provide an incentive for leaving training for a job, and still help those in need.

No. 2, current regulations provide for dependent allowance, retirement, and other fringes on top of minimum wage. If they were reduced to the allowance or wage cited earlier, the 80 percent level, and workmen's compensation was still on, it would enhance the transition to finding them subsidized employment.

No. 3, the current systems provide for different eligibility guidelines for each program. This increases the amount of paperwork considerably and multiplies the opportunities for error. This system also supports a structural need concept which does not exist to the extent indicated. One set of guidelines encompassing income and unemployment requirements would reduce paperwork, error, and cost.

Finally, I'm concerned because I'm afraid that these cuts are all too typical of pre-CETA activity. Prior to CETA, manpower activities were fragmented and not as effective as they might be. When CETA was enacted, it was the culmination of years of experience in trying to assist the disadvantaged and the unemployed. For the first time in this Nation's history local folks were allowed to make decisions about local needs.

CETA works in eastern Kentucky. Just ask the thousands who have benefited from it. This is not the time to pull the plug, but rather the time to roll up our shirt sleeves and work together.

On February 18, 1981, President Reagan delivered an address to Congress on his economic recovery program. That address ended with, "The people are watching and waiting. They don't demand miracles, but they do expect us to act, and let us act together."

The disadvantaged citizens of this Nation are also watching and waiting. They also expect action on their needs. Let us act together to be sure that they do not get lost in this economic shuffle.

Chairman **Perkins**. Let me thank you very much, Mr. Kershaw.

Our next witness is Mr. Steve Zimmer, Louisville and Jefferson County Consortium.

STATEMENT OF STEVE ZIMMER, LOUISVILLE-JEFFERSON COUNTY CONSORTIUM

Mr. **Zimmer**. Mr. Chairman, members of the committee, my name is Steven L. Zimmer. I am CETA Director for the Louisville-Jefferson County Consortium.

I welcome this opportunity to speak on matters of urgent concern to our citizens, not only in Louisville and Jefferson County, Ky., but in the entire Nation. As we all know, this is a time of change, change in public policy, national priorities, public and private partnerships, and public perceptions. However, in the course of these changes we must not destroy the progress that has been made.

I would like to share with you the progress we have made in developing effective linkages between CETA and our educational systems and institutions, especially the progress we have made in reducing unnecessary duplications and creating cost effective services for young people and adults.

The linkages which exist cover all facets of the CETA program. The CETA program in Louisville and Jefferson County helps support several hundred participants annually in occupational classroom training. At present we do not have the capability to provide enough training slots in the vocational system for the CETA participants that we currently have enrolled, and yet it's being threatened with a 25-percent cut.

We are negotiating to increase the number of slots in the Jefferson State Vocational School by having night classes, use the facility as much as possible. We are also negotiating with the board of education to utilize secondary vocational schools for adult classes in the evening.

Last year in evaluating our program we discovered that year in and year out occupational classroom training, vocational education is the most effective activity for placing CETA eligible participants into jobs.

In our title IV youth programs, also threatened with extinction, we have established linkages to provide in-school youth with academic credit for at work experience. We have also used secondary vocational educational facilities for our vocational exploratory programs on both a year-round basis and with the summer youth program.

Even in the unfairly maligned public service employment components we have contracted with vocational education to provide training to PSE job-holders. For example, in the Metro Parks Department we have contracted with vocational education to provide training to entry-level park workers in the areas of groundskeeping, carpentry, and small equipment repair.

The parks department staff found this program to be so successful that they had intended in the future to do most entry-level hiring for regular budget jobs through the CETA program. At the present time approximately one-third of all regular budget entry level park worker jobs were originally hired through the CETA program and transitioned. In our sanitation department all hires in the last year were transitioned through CETA, no gate hires, in essence.

There are several myths which are being perpetuated by the administration and the national press concerning the CETA program and public service employment in particular. I would like to do a little demythologizing, if I may.

The first myth is that CETA provides only dead-end, make-work jobs which provide no opportunity for advancement or skill training. Our parks department experience demonstrates the falseness of that claim. I believe any job which improves basic job-keeping skills and teaches good work habits is beneficial and increases the productivity of the American work force.

In addition, our program has made an effort to link adult basic education with public service employment. All PSE jobholders are tested and basic education is made available to them. In the fiscal year ending September 30, 1980, almost 25 percent of our PSE participants who were high school dropouts reached the GED level in conjunction with holding a full-time job. Therefore, participants learn work skills, provide valuable public services, upgrade their basic educational skills, and become more employable.

The second myth is that PSE jobs do not have a counterpart in the private sector. This, too, is false. In our program 46 percent of all PSE participants entering employment in fiscal year 1980 obtained jobs in the private sector. That's a period when unemployment overall in Jefferson County increased from 8 percent to 9.5 percent; yet we were placing PSE jobholders in the private sector. And also that was time when we were working hard tc transition from CETA into regular programs.

The third myth is that all PSE jobs are in government. This, too, is false. Over 60 percent of the PSE positions for this fiscal year, the one they're phasing out, were allocated to non-governmental agencies. Participants in these programs not only learn valuable skills but also provide important public services. For example, participants work with a USDA-funded project which distributes nutritional foods to pregnant women and mothers with infants.

Second example: In the winter of 1978-1979 in Louisville, five public inebriants died of exposure. In response to this tragedy a shelter was established with CETA support. In the two most recent winters in Louisville no public inebriants have died of exposure. Our Salvation Army shelter for public inebriants will have to close or severely curtail services without continued CETA support. This budget proposal, I assert, will result in death.

A number of PSE projects are in the area of housing rehabilitation, repair, maintenance, winterization, and weatherization. In attempting to revitalize our inner cities, housing stock must be saved, and that, too, will suffer. And most of this is in conjunction and linkages with community development block grant programs.

CETA workers drive vans for the Red Cross WHEELS program which provides medical transportation for the elderly and the handicapped. Without drivers how are they going to get to the doctor?

CETA child care workers are providing services to children in several daycare centers. I assert that children are our future, and yet we are screwing them.

The Housing Authority of Louisville has several CETA-funded police officers. Many of our CETA-trained police officers have secured employment on regular police forces and in the private sector.

The fourth myth is twofold. One, that all PSE participants are eligible for and will receive unemployment insurance benefits; and second, that the elimination of PSE will save Federal dollars.

First, not all PSE participants are eligible for benefits if they work for an exempt agency. The Salvation Army I referenced earlier is an exempt agency.

Second, CETA serves the long-term unemployed, and the level of benefits, if any, for which laid-off participants are eligible are limited. We ran a sample yesterday, just a random sample of five participants. They were eligible for no unemployment insurance benefits because they were not employed during the claim period.

Unemployment insurance benefits are included, but where does the proposed Federal budget recognize the increased cost to the Federal Treasury for AFDC, food stamps, medicaid, and any other welfare payments for current PSE participants?

We need also to consider the loss of tax revenues to State and local governments as well as the loss of economic stimulation to our community.

Congressman Hawkins raised the issue of transition. At the present time there are no general fund dollars in city or county government to pick up these programs. Layoffs and wipeouts of regular programs is forthcoming.

Chairman PERKINS. Let me interrupt you, please. You're making such an outstanding statement in telling the country the effects of what these cutbacks are going to be. The trouble is you just do not have a forum. The American people don't understand it, and that's the big problem we're confronted with. We're up against the gun. And if there's some way that your friends can help us educate the Congressmen, you're going to have to do it in a hurry.

I just wish that the Members of the Congress realized the consequences of what these cutbacks are going to mean: more unemployment compensation. Instead of reviving the economy, we're going to bring about more unemployment, less training, less taxes, and it's going to lead us in the direction of a depression. But that's what we have been unable to sell up to this point. I hope you can help us sell it.

Go right ahead with that statement.

Mr. ZIMMER. I would like to share with you—I did not bring it, but I think it would be important for you to enter it into the record, the Courier Journal in an editorial yesterday morning came out in support of resisting CETA cuts, called it totally inconsistent with the Reagan plan. A forum is starting.

Cutbacks in funding of vocational education and CETA appear to me to be contrary to the basic philosophy of the administration's economic recovery plan. Let me say I am not an economist. I am a bureaucrat. I am a layman when it comes to the economy, but an economist is simply a layman with credentials.

I believe that if the private sector has greater capital to invest in plant improvements and expansions, much of that investment will be geared toward automation and robotization which will reduce the number of entry-level jobs. Therefore, the need for training the work force will become even greater.

CETA and vocational education are the public avenues available to move the disadvantaged long-term unemployed, those without any job skills, who have multiple barriers, into the mainstream of the American work force.

Economic recovery is like a three-legged stool. The first leg of that stool is the required capital. The second leg of that stool is employed consumers, and the third leg of that stool is a trained work force. A stool cannot stand on only one or even two legs.

CETA and vocational education in partnership with the private sector have the capability to provide a trained work force. It may be argued that the private sector can do this training. In the next few years in conjunction with automation, robotization, and undreamed of technological developments it is technical jobs that will be in demand. The disadvantaged unskilled worker will not be able to obtain these jobs. They'll be left in the lurch.

It is unlikely that the private sector will mobilize itself to provide an effective training mechanism to move them from where they are to where they will be able to qualify for the new jobs with additional training.

Unemployed individuals unless provided with training which will enable them to enter the labor force, first, are not consumers;

second, decrease the gross national product; third, add to the cost of government; and fourth, fuel the inflationary spiral.

In my office I have a framed calligraphy which reads "Give a person a fish, and you feed that person for a day; teach a person to fish, and you feed a family for a lifetime."

Thank you.

[Editorial referred to above follows:]

[From the Courier-Journal, Friday, Mar. 13, 1981]

EDITORIAL OPINION—A BUDGET THAT TELLS THE POOR TO WORK BUT OFFERS NO HELP

If you're mystified by President Reagan's two-pronged approach to the problem of jobless Americans on welfare, welcome to the club.

On the one hand, the administration proposes compulsory "workfare" for as many as 800,000 adult welfare recipients, to teach them regular work habits and get some of them into private-sector jobs and off the dole. On the other, it proposes to eliminate major sections of CETA (the Comprehensive Employment and Training Act), which after a shaky start has shown notable success in achieving Mr. Reagan's stated objective.

To be sure, the seven-year-old CETA program often has been accused of bad management and uncertain goals. At the start, many of its jobs in local governments were filled by relatives or friends of officials, and communities shaved costs by using these federally paid workers to fill police and other vacancies.

But similar abuses may occur in many other social-service programs if the Reagan administration successfully returns them to state and local control. And later reforms have made a difference.

In Louisville and Jefferson County, for example, CETA has done much to get people off welfare and into permanent jobs. Some of the jobs admittedly don't require much skill or train people for advancement. But the program's administrators say that it's a mistake to conclude that these are mere "make work" jobs. Simply acquiring responsible work habits can be a profound first step, with a great payoff for society.

The experience in this community may not be typical, of course. That's something for Congress to determine as it mulls the President's drastic cutbacks. But many believe Louisville's experience with CETA to be more the rule than the exception. If that's so, then where is the "economic sanity"—Mr. Reagan's words—in taking *one-tenth* of his total of $48.6 billion in budget savings out of job training programs?

The saving would come mostly through elimination of 310,000 "public service" jobs nationally—a program that now costs the federal government $3.6 billion a year. And another $1.4 billion would be saved in job training for the private sector, including jobs for youth, by dropping categorical manpower programs and substituting "block" grants totaling about 25 percent less.

The first proposal already threatens layoff notices in Louisville and Jefferson County for virtually all the 660 CETA workers employed by government agencies (about 40 percent of the workers) or private organizations. The latter includes the Red Cross, where CETA workers have aided in the WHEELS program for getting handicapped persons from place to place; the Salvation Army, where they have helped run a shelter for alcoholics; the Project ACCEPT office, where they have learned credit counseling; and dozens of other social-service and charitable agencies.

The second major category of CETA programs—manpower training in private industry—is an even more dramatic success story. And it, too, could be imperiled by the federal fund cutbacks. In Louisville, employment counseling and guidance efforts annually assist 2,000 CETA trainees for jobs in private industry. The quality of this training is said to be high: General Electric has studied the records of 100 CETA workers given on-the-job training with a group of "gate hires." It found the latter less stable, less likely to stay on GE's payroll.

But local and state governments, with less money to support more obligations, might have to trim such programs. If that happens, the result could be a classic case of penny wise and pound foolish.

In the Reagan scenario, enterprising governments and a reviving private economy will provde plenty of jobs for those now on welfare, including the hard-core unemployed. But city halls and state houses are in a frenzy of belt-tightening, all across the country. And substantial economic recovery could be months, even years, in the future. In the meantime, what of the human hardships? Where is White House recognition of the amount of unemployment compensation, basic welfare, Medicaid and food stamps it could take to maintain those cast adrift in the job market by CETA cutbacks?

CETA BENEFITS TO KENTUCKY

Carl Perkins, chairman of the House Education and Labor Committee, is one congressman convinced that CETA has worked and should be protected from disruptions. He'll conduct a field hearing tomorrow to back up his contention. He's partly influenced by the importance of CETA funds to Kentucky, where among other things they have been the salvation of federally mandated ambulance units. CETA workers have taken part in emergency services in 47 counties, law-enforcement work in 30 counties and senior-citizen center transportation systems in 45 counties.

If a program, on balance, works and meets a grave national need, why kill it? That is the question such congressmen as Carl Perkins must insist be answered before casting job training adrift.

Chairman **Perkins**. Let me thank all of you gentlemen.

Mr. Hawkins, go ahead.

Mr. **Hawkins**. I think most of my questions have been answered, Mr. Chairman. I certainly appreciate the views of the panel, and I think they've stated their views very well. In addition, however, to what is already being eliminated, the plan calls for a lot more elimination. They started with title VI and then title II and now the eliminating is including titles IV and III, and most of the testimony has not even dealt with the additional titles that are going to be eliminated. So I think it's a lot more serious than what has been stated here this morning.

I have no questions, I think they have been answered in the statements.

Chairman **Perkins**. Go ahead, Mr. Kildee.

Mr. **Kildee**. I would like to exhort you again to communicate with the people whose lives you affect and let them in turn inform the Congress, because the President in a sense has the country mesmerized in support of the budget cuts. My mail is running 10 to 1 in favor of cutting the budget and supporting the President. You have to analyze those cuts and let people know how their lives are going to be affected by then.

I was encouraged by the editorial you mentioned that appeared in one of the Kentucky papers the other day. My own Flint Journal 2 weeks ago Friday analyzed these cuts and said they are not really good, and that the Congress should exercise its constitutional prerogative of questioning them.

The impression has been created that to question any cut is somewhat less than being American. I think it's very American to question these cuts.

This committee is committed to vocational education and job training. But we're going to have a hard time before the House Budget Committee, and we're going to have a hard time with the reconciliation bill unless we get the people served by these programs to contact their respective Members of Congress throughout the country. The magic number in Washington, assuming everyone is present, is 218 to carry a vote in the House of Representatives. We'd better have 218 votes or we're going to lose these programs.

That's all, Mr. Chairman.

Chairman **Perkins**. You know, we have not received one letter on the President's proposal to cut out all public service employment. I have not received a first letter. Of course, it would not be necessary to rely on me anyway, but I'm just assuming that the people who are the beneficiaries of public service employment throughout the country have just given up.

I don't know whether the city of Louisville has the resources to hire all these necessary employees to carry on the sensitive governmental functions when these CETA employees are all cut off the rolls. I just doubt it.

But if we could do something to educate all of the Members, to let them know this is no waste of money but it really will be money added to the treasury. Several years ago before we merged all these programs into the CETA legislation, in 1967 or 1968, under the old work experience program we were giving people 40, 50, 60 years of age training and some adult basic education. We got Ford to come up there and interview them, and hundreds of them were employed and taken to factories, and they're still working there. And many of them have retired and come back home.

So this is not money thrown down the drain by any sense of the word. But a lot of our good friends in Congress can go through life and never realize the true situation here. They just think it's throwing away money. That's what the President evidently thinks. And we're going to do our best to salvage these programs. This is going to be a hard one. Gus and I discussed CETA last night over dinner. We're really concerned about it.

Now, Mr. Kershaw, the President first stated he was not going to interfere with any of the CETA training programs, just public service employment. Then he comes back and asks for cuts in training on the second round. He said we had to cut more. He did that on a lot of other programs.

But how many poor youngsters that are now taking CETA training could be affected up there in those 20 or 25 counties in the Appalachian area?

Mr. KERSHAW. I'd say that the biggest industry in Eastern Kentucky for young people if these cuts come about will be bridge watching. They'll be sitting on the bridge watching the river go by. Because if those youngsters are cut out of the in-school program and the possibility of getting into vocational education, there is just no way for them to make a transition to work.

If you're talking about numbers, we serve approximately 3,000 to 4,000 youngsters a year in the in-school program. If we were to lose that, I'm afraid we'd see a return to the 1950's here in eastern Kentucky of educational attainment rated fifth grade, sixth grade. I think you'd see a whole lot more dropouts from school and more people unable to enter the work force.

Chairman PERKINS. And less taxes being paid to the Federal government within a few years.

Mr. KERSHAW. Yes, sir.

Chairman PERKINS. And more people on unemployment compensation and on food stamps.

Mr. KERSHAW. Yes, sir. When Mr. Hawkins asked about were these makeshift jobs or make work jobs, I realize that's being said but it still kind of disturbs me that that question should even come up. I think one only has to watch an ambulance run in eastern Kentucky and realize that someone's life was saved because someone was trained under CETA and services were made available under CETA, and then watch what happens when that service is no longer available. Police and fire protection, those kinds of things would be lost.

Our counties can't absorb those costs. They're already spending at the maximum all the money that they have. They don't have another source.

Chairman **Perkins**. If we cut out the youth employment, the State would not have the money to carry on the cleanup programs around the parks. It would hit us and affect us in many ways.

Do you care to comment on that, Mr. Zimmer, as far as Louisville is concerned?

Mr. **Zimmer**. We have had through the cuts of funds that have already come about reduced the number of youth that we serve in the total program in terms of in-school youth and have focused upon the out-of-school youth, especially the juvenile offender.

The wipeout of the youth program would make inner city black unemployment of young people skyrocket from 40-plus percent. I mean, that's like starting at tragedy and disaster and moving to worse. We have a clientele that is so in need, so massively in need in terms of educational level, skill level, that 2½ years is not enough time. And yet I'm amazed when I sit back and see that we take our average CETA participant who functions on a fifth grade level and within a 2½-year period not only provide that person with a job, but get them to the GED grade level. The educational system had 12 years. We do it in a few months.

Chairman **Perkins**. John, would you care to comment?

Dr. **Wells**. I didn't go into any detail, Mr. Chairman, on various programs that we have initiated that will be cut back. One I think of is one that this administration initiated in its first weeks for serving displaced homemakers in Kentucky.

We have, according to the Bureau of Labor Statistics, approximately 40,000 women who because of death, divorce, or desertion find themselves with children and no visible means of support. We initiated this program. We came into office in January and initiated it in the first part of April. We implemented it largely through the community college system here at the University of Kentucky. We have three operating in east Kentucky and one in Harlan at the community college, another in Hazard, and there at Prestonsburg. That's under title II.

We're serving 1,500 women, trying to give them job skills, GED training, transition into vocational education, trying to really transform them from dependent members of society into independent taxpaying and self-sufficient members of society.

That's just one program. Some of our most vulnerable individuals. Another program we were able to initiate was a cooperative program with the Department of Corrections. It came to my attention the greatest reason for recidivism was the fact that upon being released from prison, prisoners did not have any skills by which they could find a job, and without employment they would tend to go back into a life of crime.

With Commissioner George Wilson we worked out a cooperative agreement. We're using CETA funds, again title II, to train these individuals. We have, I think, 300 prisoners. And I forget the exact figure, but it strikes me as 300 already whom we've put through this training program, so that upon release from prison they will have a greater chance to secure employment.

Another thing I have heard, and this is unofficial, but we're told, I operate the Employment Service for Kentucky, and we're told unofficially from people in the Department of Labor that this is going to be cut by 20 percent.

Chairman **Perkins**. It's already been announced, hasn't it, Gus?

Dr. **Wells**. Twenty percent. Well, you know, we placed 55,000 people into jobs in the Employment Service in Kentucky last year.

Mr. **Hawkins**. Is that under your jurisdiction?

Dr. **Wells**. Yes, it is, Mr. Hawkins. Fifty-five thousand people we put to work. Twenty percent of those, it translates at the minimum 10,000 individuals who wouldn't have been served.

I mean, it goes on and on and on. The illogics of the various proposals stagger the imagination. We trained last year 25,600 and some-odd people in CETA in the balance of the State, 91 counties here in Kentucky, and I would not hazard, it would be speculation for me to say how many would not have been trained otherwise, but it is in the thousands without any question.

Chairman **Perkins**. I have seen you here at my hearings several years ago. Do you care to comment on that question?

Mr. **Ferr**. Thank you. Two or three things I'll address. Let me explain to the others who I am.

Chairman **Perkins**. Identify yourself for the record.

STATEMENT OF CHARLES FERR, ADMINISTRATIVE ASSISTANT, KENTUCKY DEPARTMENT FOR HUMAN RESOURCES

Mr. **Ferr**. My name is Charles Ferr. I work for Commissioner Wells. I'm an administrative assistant. And I've had more than a passing interest in all of what you're saying in that I am the secretary of the State Employment and Training Council, I'm a member of the State Advisory Council on Vocational Education.

Chairman **Perkins**. You used to testify, I think, before our committee.

Mr. **Ferr**. I also serve on the State Plan for vocational education, and I also administer the weatherization program in the State of Kentucky with the Department of Energy using their public service employment workers. So I have more than a passing interest.

The thing that really concerns us—when I say "us" I mean the State Employment and Training Council and the State Council for Vocational Education—is we have joint meetings. We do joint ventures. We do joint assessment. We do joint needs assessment, and have been for years.

The thing that we're getting from the whole administration is it looks like their economic policy is going to be based on what Mr. Kemp and Mr. Garcia have introduced as an enterprise zone act.

The concern for us is that we don't find any mention, sir, in there of a labor exchange. We don't find any concern in there for the vocational education programs to train these people, and we don't find any place for CETA in those at all.

And I think that the structure and the representatives that you had here this morning more than demonstrate the fact that vocational education and CETA and the private sector in Kentucky are operating and are doing a job that everybody is happy with, and we're producing jobs that produce people in work, and it has a cost benefit, Mr. Hawkins, that reduces it.

The special grants to the Governor, for example, in the past 2 years all the money that they have spent has a cost benefit of less than 2 years, and we think that's real good. And you heard Mr. Whitaker this morning demonstrate what we can do with industry, with dropouts if you get them lined in. That's going to be expanded in the next week to about fourfold of what it is now.

The concern that we have is the fact that we have an infrastructure here that demonstrates we can handle the expansion and the technological changes are going to go. You heard the gentleman say this morning in jest that industry doesn't want a dumb labor force. They've got to have. We used the example in General Motors, the shapers and grinders and tools that they're using are computer-operated. The instructors from the vocational school that he spoke of go down to see these because we don't have this kind of thing within our schools or within our capability.

We're going to have as great a change here as we had in the early 1960's. In my opinion we need to keep those people available to answer the needs of industry and we need to take the CETA program to keep them working cooperatively with them; because the General Motors plant in Bowling Green is a joint vocational education/CETA operation, and we have done that. We meet with every industry that comes into Kentucky to present them the proposition that we have for them to make them and welcome them into our industrial family.

I don't think that there's any way that we can get the economically disadvantaged, or the new phrase, I don't like it so I won't use it, in the mainstream to get them in unless you have a program design for them. I do not think that any one will answer. It takes a combination, and I think we have the combination here in order to take care of it.

Mr. Hawkins. Now, at this point it seems to me the suggestions that have been made by the administration are totally lacking in any substance in terms of providing a mechanism for doing the very thing that they claimed they would like to do.

Now, it's been expressed that they want these people to be hired in the private sector. Now, about a week ago I saw in the Washington Post an article in which the administration had asked the private sector to employ the people who are going to lose their jobs on CETA.

Now, there is no identification of who in the private sector is the individual who is going to do this. We have the Employment Service, for example, which does provide some sort of a mechanism, which is being cut back. But so far as I know, if you don't have the CETA process, if that's eliminated, who is going to see that the disadvantaged or the unemployed will be handled in some way? Where will they go to locate these 13 million jobs the administration says that they're going to produce in the next several years? There is no mechanism provided.

If people in my area see these jobs, and I've had some to ask me already where do I go to apply for these jobs, well, where do you go if you're reducing the employment service, if you're eliminating programs. They have been able to go through CETA and these other programs, agencies in order to locate those jobs.

There is no mention made at all of a mechanism whereby individuals will be able to be processed; if they're disadvantaged they're not sophisticated enough to go out in the private sector and locate the jobs. You have no way of providing any assistance to them. It just is absent. They are absent altogether in terms of any substance, it seems to me.

And I realize that in the Bureau of Manpower Services that you will be severely handicapped as a result of the cutbacks in that agency.

Dr. **Wells**. Without question. Many more people to try to place and less personnel with which to do it, Mr. Hawkins. It is self-defeating.

Mr. **Hawkins**. You've been frozen for 16 years already before even the cutbacks were even announced. They've had the service at 30,000 for 16 long years, and now on top of that you announce 5,000 more jobs. In addition to that, my understanding is the Veterans' Outreach is being eliminated, which means not 5,000 but 7,000, possibly closer to 7,000 jobs at a time when we need the service more than ever.

Dr. **Wells**. Yes. It's illogical, Mr. Hawkins.

Chairman **Perkins**. Any other questions?

Mr. **Kildee**. No further questions, Mr. Chairman.

Chairman **Perkins**. Let me thank the panel. You've been very helpful to us. If you can help us do a lot of educating, we welcome you to get busy.

Dr. **Wells**. I expect you might be receiving some letters in the near future.

Chairman **Perkins**. Thank you very much.

May I hear from panel IV?

Thelma Mays, school food service, Fayette County schools come around; Ms. Doris Watts, Campbell County schools, food service director come around; Robert Boggs, superintendent of Grayson County schools come around; David Grover, superintendent of Paris independent schools; Kathleen Short, school food service director, Jefferson County schools; Hazel Powell, school food service director, Middlesboro Independent schools; Eileen Will, school food service director, Scott County schools; Helen Underwood, Bullitt County; Elizabeth Grever, community coordinated child care; Ms. Anne Joseph, Kentucky Hunger Task Force; Trudy Marshall, Kentucky Council of Churches; and Barbara A. Martinsbury, community nutritionist, Lexington, Ky.

Come around all of you on that panel, and if you can't get up to the desk as a panel, pull your chair nearby so that we can put you on immediately following the others on the panel.

And we've got Agnes Nelson, mother of schoolchildren here in Lexington; Kathleen Diewalt, Ph. D., nutritional pathologist, University of Kentucky.

All of you come around and get nearby, and we'll call on you. We'll take you as you're listed. We'll get to you all, and we'll save our questioning until we hear from the entire panel.

But keep in mind what this 43-percent cutback is going to do to your school lunch, child care, and other feeding programs. That 43 percent under the regular program removes all the commodity payments and the regular reimbursement under section 4.

We'll hear first from Mrs. Thelma Mays, school service director, Fayette County schools.

Go ahead, Ms. Mays.

STATEMENT OF THELMA MAYS, SCHOOL FOOD SERVICE DIRECTOR, FAYETTE COUNTY SCHOOLS

Ms. MAYS. I'm Thelma Mays, Food Service Director. Our school district is composed of approximately 31,500 pupils in 48 schools. There are 47 kitchens with a manager directing in each kitchen. The manager is responsible for planning each menu served using the status guidelines of the USDA, State Department of Education, and Fayette County Board of Education.

Each cafeteria manager plans, orders, and accounts for the food and operating supplies as used. Each cafeteria manager is responsible for the accounting of funds collected at the school and deposits into a central food service account. Payment of food orders, labor, and so forth, used by food service is done by a centralized system.

The food service program is operated for the benefit of the pupils. All schools have a lunch program while 22 schools also have a breakfast program. Of the total enrollment, including those pupils who leave school before lunchtime due to various reasons, 71 percent participated in the lunch in the 1978–79 school year. Seventy percent participated in lunch of the 1979–80 school year. So far we have a 67 percent participation for the 1980–81 school year.

In August 1979 we had to increase our lunches by 20 cents. And listed in my printed report I have listed 11 schools that had served less than 20 percent participation in free, or I prefer to call it assistance meals. They were the hardest hit by this 20 cents jump, and it goes anywhere from 15 percent down to 1 percent of the participation they lost. They were in a serious financial problem.

[Information submitted by Thelma Mays follows:]

	1978–79		1979–80		1980–81	
	Percent free lunches	Percent participation	Percent free lunches	Percent participation	Percent free lunches	Percent participation
Cassidy Elem	11	66	12	61	11	62
Clark Jr	3	73	2	68	3	67
Deep Springs Elem	17	75	18	74	23	77
Garden Springs Elem	15	73	16	67	17	72
Julius Marks Elem	17	74	20	60	20	61
Lafayette Sr	20	47	19	46	19	57
Lansdowne Elem	4	80	20	71	27	79
Southern Elem	13	74	15	59	21	64
Southern Jr	14	70	17	64	20	63
Stonewall Elem	4	70	4	59	4	62
Tates Creek Sr	15	40	14	35	15	38

Ms. MAYS. Presently the lunch prices are 70 cents, grades 1 through 3; 75 cents, grades 4 through 6; 80 cents, grades 7 through 12. It has been estimated that the reductions in revenue received after January 1, 1981 will result in deficit spending necessitating a price increase for the 1981–82 school year. The districtwide impact of the proposed loss that you're speaking of right now based on October 1980 participation would result in a loss of $702,000.

[Information submitted by Thelma Mays follows:]

Lunch:	
1. Paid meals:	
0.1600 (sec. 4 reduction) multiplied by 12,214 (average daily paid participation for district) multiplied by 175 days	[1]$341,950
0.1350 (donated food reduction) multiplied by 12,214 (average daily paid participation for district) multiplied by 175 days	[1]288,575
2. Reduced meals:	
0.2850 (secs. 4 and 11 reduction) multiplied by 1,099 (average daily reduced participation for district) multiplied by 175 days	[1]54,775
0.0550 (donated food reduction) multiplied by 1,099 (average daily reduced participation for district) multiplied by 175 days	[1]10,500
Breakfast:	
1. Paid meals:	
0.1475 (basic rate reduction) multiplied by 264 (average daily paid participation for district) multiplied by 175 days	[1]6,825
Total projected loss for district	[1]702,625

[1] Projected loss of Federal funds for school year 1981-82.

Ms. MAYS. We are currently serving 39 percent assistance lunches and 61 percent pupils-paid lunches. If the meal pattern requirements do not change for 1981-82, we will need to increase lunch prices by 35 to 40 cents. From the previous experience of the August 1979 increase, we could lose 50 percent of the paying pupils for the 1981-82 school year.

The system of providing assistance meals must be studied and improved. The paying pupil is being discriminated against. The assistance meal policy brings up problem areas such as free milk and how to verify income of those making application for assistance. The nutritional needs of all pupils in Kentucky schools should be our concern.

Chairman PERKINS. The next witness, we'll go right along, is Mrs. Watts, Doris Watts, from Campbell County.

STATEMENT OF DORIS WATTS, SCHOOL FOOD SERVICE DIRECTOR, CAMPBELL COUNTY SCHOOLS

Ms. WATTS. Mr. Chairman, I am Doris Watts, Food Service Director for the Campbell County Board of Education in Alexandria, Ky.

I have eight schools with a total enrollment of 4,200 students.

Chairman PERKINS. Pull the microphone just a little bit closer to you to make sure that everybody hears you.

Ms. WATTS. Seventy-five percent of these 4,200 students participate in the food service program. Of the 75 percent who participate in the program, 76 percent are paid lunches, 7 percent are getting reduced lunches, and 17 percent are getting free lunches.

An increase of 10 cents for lunches this school year resulted in a 10-percent decrease in paid lunches.

Chairman PERKINS. That was this past year.

Ms. WATTS. Yes. The 1980-81 school year.

A recent survey taken in the elementary grades of the Campbell County School District showed that 89 percent of the students presently paying for their lunch would bring lunch from home if the lunch price went to $1.20, which is the present cost of preparing a lunch. Three percent of the students would not eat, leaving only 8 percent paying for their lunch at school.

With no Federal reimbursement or Government commodities for the paying child, the Campbell County Board of Education cannot afford to continue the food service program that we're now operating.

Mr. Chairman, for the projected loss of $144,900 of Federal money for child nutrition to the Campbell County School District, we could not offer to our children a quality meal in which we include all four of the food groups.

The local school board and the State government could not compensate for the loss of Federal dollars. The local school board is having to cutback on many programs to balance its budget today. The State government has already cutback its support to the local system.

The families with school aged children are facing increases in all phases of their children's education. The tax cut that is being proposed is not enough to cover the increase in their children's lunches as these proposals are passed.

If the Federal lunch program were dropped and the Campbell County School District went to an a la carte program, we would have no means of offering lunches to the 24 percent that are now receiving free or reduced lunches in their school. If the paying child drops from the program, many of the needy children would not eat because they do not want to be identified to their friends as needy.

We have worked for years not to discriminate against any child. The school lunch program is not and was never intended to be a welfare program serving only the poor. When the Federal lunch program was enacted in 1946 it provided only general assistance to enable local communities to operate a lunch program. The assistance in the form of USDA commodities, cash assistance, equipment assistance were based on total participation, not the income of the participant.

Mr. Chairman, I believe that a direct relationship exists between sound nutrition, good health, and effective education. If we are to continue to feed all children in the Campbell County School District and the Nation, we must have support from the Federal Government in both reimbursement and commodities.

Chairman **Perkins**. Thank you for an excellent statement. I just wish everybody in the whole country could read this statement that you two ladies just made.

Next is Mr. Robert Boggs, Grayson County Schools. Go ahead, Mr. Boggs.

STATEMENT OF ROBERT BOGGS, SUPERINTENDENT, GRAYSON COUNTY SCHOOLS

Mr. **Boggs**. Mr. Chairman, it's my understanding that the Federal budget cuts which are now under consideration proposes to reduce the 16 cent reimbursement for paid meals along with the 13.5 cent donation in the form of commodities for paid lunches. It is further my understanding that the projected budget cuts would reduce the amount of reimbursement for reduced price meals by 28½ cents per meal, and also that the amount donated for foods for reduced price meals will be cut by 5½ cents per meal. Further, it is my information that the reimbursement for paid breakfast will be cut by 14.75 cents.

I am now serving as superintendent of schools in Grayson County, which is, for some people who are not familiar with Kentucky, it's about 30 miles from Elizabethtown, which is about 70 miles west of here, and we have approximately 4,050 students in Grayson County schools.

Now, out of that approximately 4,050 students, about 1,700 of those students are paid students, about 300 are reduced students, and about 1,500 are free students, get free meals. The cuts which have been proposed under the administration's budget would cost our district approximately $88,000 for paid lunches, $21,000 in reduced price lunches, and $7,000 for paid breakfast. This totals approximately $116,000, which is about 27 percent of our total budget would be eliminated in one fell swoop.

In the past school year we have already received a 2½ cent across-the-board cut plus a 10-cent cut in the reimbursement we received for reduced price lunches.

Now, this caused us to have to raise the prices of paid lunches from 55 and 65 for elementary and high school students respectively to 65 and 75. We've had to increase the reduced prices from 10 cents to 20 cents.

Now, effectively what that has done is that it has caused our participation, which was running in the high 90's a year ago, to drop into the 80's. And that's the effect of the first cut.

Now, we have also, since these figures began to hit us, we began asking our food service people well, can you calculate the actual cost of serving the meals that we now serve, and we have come up with about $1.15. Well, this is more than the total reimbursement we're receiving in any form now. So the Board of Education is taking up the slack, the difference between what we're actually receiving in reimbursement and what it's costing us to serve these meals.

We have salad bars, which I think is very necessary for children. Some don't get green vegetables at home and don't get the necessary nutrients.

If any of you are familiar with what is going on in Kentucky this year, the fact that Kentucky is going through a belt-tightening process is going to make it impossible for us to pick up more slack than we're now picking up. So this leaves us with basically two options.

We can raise the price of our paid meals to approximately $1.05 at our own particular instance and reduced price meals to 55 cents, and I find several things wrong with that. Or the possibility, and I have listed that here, or we could—and I reject this possibility entirely, but it is the other option—or we could lower the quality of the meals that we feed our children. And, of course, not only do we have regulations, but our conscience dictates that we do not do this type of thing.

Now, here's what I think is wrong with it. First of all, many of our middle-class families with three or four children can't afford $20, $25 a week for lunch. Many of our people who are on reduced price meals are very close in wages to free meals, and they can't afford 55 cents a day for each child in reduced price lunches. So we've already got two people who are very much affected.

Now, the further effect of this is that remember, even though we receive different reimbursements for different wage or income levels of people, all of this money is put into one general fund and used for the running of the lunchrooms. So if we effectively cause our participation to decrease to the point that we're unable to serve the quality of lunch that we're now serving, not only are we not going to be able to serve the paid lunches and reduced price lunches as well, we're pretty soon going to get to the point that the people who are truly in need, the very poor, are going to suffer as well. We won't be able to serve that type of lunch. So we're affecting all three classes of people.

And the thing that I think has bothered me most about this, I kept hearing on the television and on radio and in person from many people connected with the administration that the trust of this administration would be to eliminate abuse in Federal Government spending.

I think I could say without fear of contradiction that the least abused program as far as I know is the national school lunch program. I can walk into schools of 1,500 children, and I can't find you a child that isn't correctly identified and correctly being served. And I know I've tried it. So if we're looking for abuse, why are we picking on the least abused program in the country? This is my feeling about that program.

Thank you.

Mr. **Hawkins**. Dr. David Gover.

STATEMENT OF DAVID GOVER, SUPERINTENDENT, PARIS INDEPENDENT SCHOOLS

Dr. **Gover**. Congressmen, thank you for being sensitive to the needs of children. I know your sensitivity is just as great as the hunger pangs that would be generated within children if the proposed child nutrition cuts are passed by Congress.

My name is David Gover, superintendent of Paris Schools located in Paris, Ky. There are three schools in the Paris district, an elementary, middle, and high school. The proposed child nutrition cuts will have an exacerbating effect on all children attending these schools: The wealthy, the poor, the middle-class children.

The average daily attendance in these schools, K through 12 is 1,351 students. Of that number approximately 957 participate in the child nutrition program by eating in one of the two school cafeterias each day. This is 71 percent of the students in average daily attendance. It's important to note that 34 percent of these children are within the child nutrition program poverty guidelines.

On January 1, 1981, the Federal Government reduced the reimbursement for school lunches by the following amounts: Reduced price, 10 cents; all other lunches, 2½ cents; commodities, 2 cents. It's projected that these cuts will decrease the Federal support for the child nutrition program by $8,789.48 for the 1981-82 school year. (See attachment No. 2.)

To counter these cuts the Board of Education increased lunch prices during February 1981 as follows: Reduced price, 10 cents to 20 cents; regular, from 60, K-2, to 65, and 3-12 to 70 cents. As you might note, Congressman Hawkins, we have low lunch prices in our school district due to the good management of our school food service personnel.

This small price increase will hopefully compensate for Federal cuts and help the school food service programs keep up with the inflation spiral provided student participation is not affected by the price increase.

The newest proposal to eliminate Federal subsidy of 29.5 cents per paid meal and 34 cents per reduced price meal will gut the child nutrition program in the Paris city schools. The proposed cuts will cause the district to lose $33,425 in Federal subsidies. (See attachment No. 1.) The combined cuts, January 1, 1981 and the proposed cuts, will cause the district to lose a projected amount of $42,218.48, and this is approximately 38 percent of the Federal reimbursement received for the child nutrition program from the Federal Government for the Paris city schools. It's a little over 20 percent of the total cost of our child nutrition program in our school district.

The question is how will the cost of these funds be replaced to continue to meet the nutritional needs of children with the cutbacks we are experiencing in Kentucky, and it's going to be difficult to make this money up due also to House bill 44. As you know, this State had the proposition 13 syndrome running through it a couple of years ago, and we're still feeling the effects of that.

Historically, higher prices for breakfast and lunch meals have had a debilitating effect resulting in a decline in student participation. I want you to listen to this very carefully. Since raising the prices of school lunches in the Paris Independent School District to compensate for the January 1 cutback, as I just alluded to a minute ago, there has been a decrease in daily participation by 91.5 students per day for paid lunches and 18 students per day for reduced price lunches. It is projected that this will cost the district $12,010.25 for paid lunches and $630 for reduced price lunches for the next school year. Therefore, increasing the price for school lunches is an ineffective measure to compensate for the loss of Federal support. It will add to the problem by causing a decrease in participation.

If the proposed child nutrition cuts are passed by Congress, the Paris city schools' loss of $33,425 in Federal reimbursement will bring grave consequences to all the children and especially the truly needy child. These consequences are as follows.

We're going to have to increase the lunch price by a minimum of 40 cents. Two, it's predicted that the increase in lunch prices will cause a 40-percent decrease in student participation in the school lunch program, causing approximately 380 students of the 957 who eat lunch each day to go hungry. Three, it will be necessary to reduce school food service personnel and add to the unemployment rolls in the State of Kentucky, and not only Kentucky but throughout the Nation.

The students on free lunches will be ridiculed as freeloaders by other students and will be socially ostracized, which may cause a truly needy child not to eat. And sometimes we might say would that happen? Why, sure it happens. It happens all over this country, even though we're doing everything we possibly can to protect that child who is on free lunches.

Discrimination will be a definite result of these cuts. I'd like for Ronald Reagan and Stockman and some of those boys to have to observe children who are hungry each day and not have the right kind of meals, and see them coming to school not having had supper the previous night, and the next day to come to school and have a good breakfast and have a good lunch. To me this is important.

Now, I've got two recommendations for you. The first one, I'd like for you to take this back loud and clear, that the Federal Government provide free meals for all students enrolled in public schools, give every kid a free lunch. Because what did Jesus do? The first thing that Jesus did, he fed the little children. And I think if we're going to have a democracy in America like we should have in this country, we need to take care of little children.

Chairman **Perkins**. I agree with you, but there are not many people that would agree with you right now.

Mr. **Gover**. I know that.

And the second recommendation is Congress should not, and I underline that not, approve the proposed cuts and provide reimbursement increases annually for the child nutrition program commensurate with spiraling inflation.

Thank you, sir.

Chairman **Perkins**. Thank you very much.

[Attachments No. 1 and No. 2 submitted by David Gover follow:]

(Attachment #1)

Paris Independent
District

WORKSHEET FOR
IMPACT OF PROPOSED FEDERAL BUDGET CUTS
ON
SCHOOL FOOD SERVICE PROGRAMS
(Calculation Based on October 1980 Claim)

LUNCH

1. Paid Meals

.1600 Section 4 Reduction	X	497 Average Daily Paid Participation for District	X	175 Days	=	$ 14,000	Projected Loss of Federal Funds for School Year
.1350 Donated Food Reduction	X	497 Average Daily Paid Participation for District	X	175 Days	=	$ 11,725	Projected Loss of Federal Funds for School Year

2. Reduced Meals

.2850 Sections 4 and 11 Reduction	X	83 Average Daily Reduced Participation for District	X	175 Days	=	$ 4,200	Projected Loss of Federal Funds for School Year
.0550 Donated Food Reduction	X	83 Average Daily Reduced Participation for District	X	175 Days	=	$ 875	Projected Loss of Federal Funds for School Year

BREAKFAST

1. Paid Meals

.1475 Basic Rate Reduction	X	101 Average Daily Paid Participation for District	X	175 Days	=	$ 2,625	Projected Loss of Federal Funds for School Year

TOTAL PROJECTED LOSS FOR DISTRICT: $ 33,425

[Attachment #2]

PARIS INDEPENDENT

Anticipated Loss of School Lunch Revenue

Total Number of Lunches - August, 1979 Through May, 1980...........................	164,335
Decrease in Reimbursement Per Lunch.......................................	x .025
Loss of Revenue	4,108.38

COMMODITY PROGRAM

Anticipated Loss of Purchased Commodities

Total Number of Lunches - August, 1979 Through May, 1980..........................	164,335
Decrease in Commodities Per Meal..	x .02
Loss of Commodities	$3,286.70

REDUCED PRICE

Anticipated Loss on Reduced Priced Lunches

Total Number of Reduced Price Lunches - August, 1979 Through May, 1980.............	13,944
Decrease in Reimbursement......................	x .10
Loss of Revenue	1,394.40

Total Loss	8,789.48

PARIS INDEPENDENT BOARD OF EDUCATION
PARIS SCHOOL FOOD SERVICE FUND

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 1980

RECEIPTS		
Pupil Lunches and Milk	54,258.40	
Adult / A La Carte	7,056.12	
Breakfasts	4,012.14	
Reimbursement	127,668.82	
Title I	450.86	
Rebate on Food Purchases	80.95	
Other	58.89	
Interest on Savings	516.59	
Total Receipts		194,102.77
DISBURSEMENTS		
Milk	31,963.49	
Food	69,310.16	
Labor	75,785.71	
Other	14,352.17	
Total Disbursements		191,411.53
Excess of Receipts Over Disbursements		2,691.24
Cash Balance, July 1, 1979		24,833.43
Cash Balance, June 30, 1980		27,524.67

Chariman **Perkins**. The next lady, go ahead.

STATEMENT OF KATHLEEN SHORT, SCHOOL FOOD SERVICE DIRECTOR, JEFFERSON COUNTY SCHOOLS

Ms. Short. Mr. Congressman and members of the committee, I am Kathleen Short, director of the department of school food services in the Jefferson County Public School System in Louisville, Ky. I greatly appreciate the opportunity to testify before this hearing, and publicly identify the devastating outcome of the proposed budget cuts for child nutrition programs. Your sustained support of the child nutrition program is widely recognized and respected.

In Louisville, we are a major city system and have accepted the responsibility of administering the school breakfast program in 112 school locations with an average daily participation of 17,777—reduced 1,634, free 13,930 and paid 2,207—the school lunch program in 143 locations with an average daily participation of 58,823—reduced 5,332, free 29,613 and paid 23,878—and a special milk program with an average of 41,850 per day.

Approximately 98,900 students are enrolled, including half day kindergarten, in the Jefferson County Public School System. It has been our duty as well as our pleasure to offer a nutritious hot meal to all students enrolled. It is a well established fact that a hungry child does not function as effectively as a child consuming this well balanced meal.

The impact of proposed budget cuts on per meal prices to paying students, calculated on our October, 1980 base, per meal costs in October for lunch was $1.013, and the cost for a breakfast was $.456. And the projected per meal cost to the paying student, using the October figures, would be $1.003 plus the reduction of commodities, which would be $.1545, plus 10-percent inflation $.1158, which would equal $1.2733 that we would have to charge for a lunch.

For breakfast, $.456 plus the reduction of commodities, $.0508, plus 10-percent inflation, $.0507 would equal $.5575 which we would have to charge for our breakfast.

Projected participation decrease in paying students, we feel, would be 50 percent. Projected participation decrease overall of our program would be 20 percent, a loss of 11,765 lunches per day and 3,550 breakfasts per day. Decreased participation is expected to result in the possible closing of some of our school lunchrooms in Jefferson County. Should the full extent of the proposed budget cuts become law, the program will progress to even the point of depriving the needy child. The projected loss for the district resulting from the proposed budget cuts would be approximately $1.6 million in our county (see attachment).

It is evident that all Federal programs most likely will have to share in the budget cuts. However, we in Jefferson County, and this is our own thinking and I am sure the other counties have their own ideas, but we felt if we had to cut back on anything we would prefer to cut back on the summer feeding programs, the nutrition education and training programs, and the breakfast severe need.

We in Jefferson County Public Schools shall strive to maintain the high standards in each program that we have had by continuing to strengthen our management.

We thank you, Mr. Congressman and members of the committee, for allowing us to be here today. I would like to indicate that we are a large metropolitan area. We employ 974 employees, and of course if we had to cut back we might find some unemployment in Jefferson County according to our food service.

We are in a large area where our labor does cost us more, and that of course always has to be added to our plate costs. And this is quite a bit for us. And we feel that inflation has forced us to increase our meal price and of course the cutbacks we have already received, just the cutback of the 2.6 on our meals plus the 12.5 that we received on our reduced meals from January through May of this year has amounted to more than $400,000 in our county, so we have really had to tighten our belts.

Thank you.

[Material submitted by Kathleen Short follows:]

JEFFERSON COUNTY
DISTRICT

WORKSHEET FOR IMPACT OF PROPOSED FEDERAL BUDGET CUTS ON SCHOOL FOOD SERVICE PROGRAMS

(Calculation Based on October 1980 Claim)

LUNCH

1. **Paid Meals**

.1600 Section 4 Reduction	X	23,879 Average Daily Paid Participation for District	X 175 Days =	$ 668,675	Projected Loss of Federal Funds for School Year
.1350 Donated Food Reduction	X	23879 Average Daily Paid Participation for District	X 175 Days =	$ 564,200	Projected Loss of Federal Funds for School Year

2. **Reduced Meals**

.2850 Sections 4 and 11 Reduction	X	5332 Average Daily Reduced Participation for District	X 175 Days =	$ 266,000	Projected Loss of Federal Funds for School Year
.0550 Donated Food Reduction	X	5,232 Average Daily Reduced Participation for District	X 175 Days =	$ 51,275	Projected Loss of Federal Funds for School Year

BREAKFAST

1. **Paid Meals**

.1475 Basic Rate Reduction	X	2207 Average Daily Paid Participation for District	X 175 Days =	$ 57,050	Projected Loss of Federal Funds for School Year

TOTAL PROJECTED LOSS FOR DISTRICT: $ 1,607,200

Chairman **Perkins**. Thank you very much. We will withhold our questions. Ms. Powell?

STATEMENT OF HAZEL POWELL, SCHOOL FOOD SERVICE DIRECTOR, MIDDLESBORO INDEPENDENT SCHOOLS

Ms. **Powell**. Thank you, Mr. Chairman.

You have heard a great deal of testimony in the past few weeks in regard to the impact of proposed child nutrition cuts on the truly needy, especially in the large metropolitan areas. But you also need to be seriously concerned about the smaller school districts, including those who do not serve a large percentage of free or reduced price meals.

The Middlesboro Independent School District is a small school district with an enrollment of approximately 2,600 and an average daily participation in the school lunch program of 85 percent. About half of those who eat in our school lunch program receive free or reduced price meals. The others pay 60 to 70 cents per meal. We all share the concern for the children and families who are receiving welfare and who would go hungry if it were not for the free meals which they receive at school. But what about the other 50 percent? How will the proposed cuts affect them?

Our school district receives about $400,000 in Federal reimbursement, donated foods, and State matching funds each year. Our local school district contributes an additional 12 cents per meal in indirect costs. That is for maintenance, commodity distribution, utilities, and the like.

Our monthly cash expenditures are approximately $30,000 for food service, excluding the labor costs. And I would like to mention that in our labor force, we have two former CETA workers who I would not have recommended for hiring before they were trained in our program. We have two substitute CETA workers, substitute workers who were former CETA trainees, and we presently have two CETA trainees. We also have additional students helping with our lunch program who would not be there to help if we did not have that program. So if that is cut out, we also will face a serious problem with our labor, not to mention the women who are single heads of household who would be laid off.

At the end of January 1981, our computed cash position had decreased from $20,000 at the beginning of the school year to $7,500. Although we had lost smaller amounts during the first few months of preceding years, we had always been able to bounce back with the increase in the Federal reimbursement rate each January. But this year we received no semiannual rate adjustment, so it does not look very promising for our school district this year.

Our local school district has advanced the food service account $25,000 so that its bills can be paid on a timely basis. Although the $25,000 is a loan, our district does contribute the 12 cents in indirect costs for each meal because it realizes the importance of the food service program for the total educational program. If the proposed budget cuts are enacted, our school district will lose between $63,000 and $80,000 during the next school year. This will be devastating to the school lunch program because our school district is facing major cuts in State and Federal educational moneys and certainly will not be able to increase its support for the food service program.

From October 1979 to October 1980, our school enrollment decreased by 20 students and the average daily participation in the school lunch program decreased by 35. It is significant that while our total average daily participation only decreased by 35, our paid student lunches decreased by 95, and our free or reduced price lunches increased by 60, or by 2.7 percent.

During this time, our lunch prices increased 5 cents, a very small increase. But the drastic decrease in the participation of paying students was a dramatic illustration of the many economic pressures on the lower middle income families.

Beginning in February 1980, our lunch prices were increased 10 cents due to the reduced Federal reimbursement rate, which was retroactive to January 1, 1981. We do not have the official participation figures for February, but all of our school principals have indicated that more students are bringing lunches from home or are not eating lunch.

When we were informed of the proposed budget cuts, we surveyed parents in our school district so that we could more accurately assess the potential impact of the proposed cuts. Of 513 families of paying students who were asked what they would do if lunch prices should rise by 25 cents or more next year, 135 of those would apply for free or reduced price meals if they were eligible. We do have people who pay for their lunches who would qualify for the free meals; 210 of those would either take lunches from home or would not eat if they were not eligible for the free or reduced price meals.

Of 78 families of students receiving reduced price meals who were asked what they would do if their lunch prices should rise by 25 cents or more next year, 63 of the 78 would either take lunch from home or would not eat. And if you observed high school students, you will know that many of them would just not bother to take their lunch to school. They would do without.

If the survey results hold true, indications are that more and more families will either be forced to accept free or reduced priced meals or brownbag or do without lunch.

President Reagan, in an interview with Walter Cronkite, referred to middle income families as those in the $10,000 to $60,000 bracket, and he said that these families would be paying 72 percent of the taxes while getting 73 percent of the benefits. But those that are considered to be middle income in our area are more likely to be in the $15,000 to $20,000 range. According to Federal income guidelines, a family of four with two school-aged children would pay for school lunches if their income was $16,000.

However, think about the costs that that family incurs from its gross income. It pays Federal, State, and local income taxes from that $16,000. It has housing costs that far exceed those in low-rent housing. In most cases it would be $100 or more a month, what the other families have to pay. It often has to pay for its own medical insurance and health costs that are provided to the nonworking poor. It is not eligible for food stamps, fuel subsidies. It has additional transportation costs to get to the job. It requires additional clothing for working in public. And this is the family that must save for its educational costs for its children because in most cases its children are not eligible for the grants.

When these costs are considered, the family's net income is often no more than the income of the truly needy. Yet these people have been labeled greedy. They are in fact the working poor. What incentive is there to work when a family is actually penalized for working?

We have discussed the financial impact of the proposed budget cuts, but a much more important consideration is the original intent of the national school lunch program. As it has been said earlier, it was not intended to be a welfare program. Its primary intent was to provide for the nutritional well being of our Nation's schoolchildren.

Can we afford to support feeding programs that deny meals to children of the working poor who cannot afford to pay? After all, they must pay their utility bills or have no heat.

Can we afford to encourage a daily diet of soft drinks and potato chips, when our Nation is already suffering from heart disease, diabetes, and many other nutrition-related diseases?

The nutritional well being of our people is too important to allow the school lunch program to be destroyed as a result of the overwhelming 51-percent mandate of the past election. The people did not vote for this, any more than they voted for 34 billion new dollars for the Department of Defense. I think it would be very hard to think up the defense items to be able to spend 34 billion new dollars in a year. We need a strong defense, but before we try to control or conquer other countries, let us try to conquer hunger and malnutrition at home.

We need a balanced budget also. If I were asked about a balanced budget I would say yes, we need one. But we also need a balanced diet. Thank you.

[Material submitted by Hazel Powell follows:]

American School Food Service Association
1981 Fact Sheet

In developing your fact sheet for your visit to the Hill, we suggest you include the following information. 1(a) and (b) are especially significant to our legislative efforts in securing adequate funding for the lunch and breakfast programs.

1. **Current participation status in your school, school district, or state:**

	October 1979	October 1980	
a. Lunch			
Total students enrolled	2613	2593	
Total students served day	2228	2193	
Number paid meals	1026	931	
Number reduced price meals	149	166	
Number free meals	1053	1096	
Average sale price			
Elementary	$.45	$.50*($.60-2/81)	
Secondary	$.55	$.60*($.70-2/81)	
Average cost of lunch			
Food (+Milk)	$.52	$.54	
Labor	.24	.30	
Supplies	.06	.04	
Value of donated commodities	.11	.16	
Indirect cost	.11	.12	
Miscellaneous (Deprec. +Dir.Cost)	.01	.01	
Total cost	$1.05	$1.17**	
b. Breakfast			
Total students enrolled	1424(2 schools)	1427(2 sch.)	2593(4 sch.)
Total students served/day	398	403	964
Number paid meals	54	66	195
Number reduced price meals	15	19	62
Number free meals	129	319	706
Average sale price			
Elementary	$.25	$.25	
Secondary	$.25	$.25	
Average cost of breakfast			
Food (+ Milk)	$.40	$.42	
Labor	.14	.08	
Supplies	.03	.01	
Value of donated commodities	.03	.04	
Indirect cost	.06	.03	
Miscellaneous (Deprec. +Dir.Cost)	.01	.01	
Total cost	$.67	$.59***	

c. Total lunches served in 1979-80 365,493(Oct.1979-Sept.1980)

Total breakfasts served in 1979-80 126,906(Oct.1979-Sept.1980)

d. If you handle child care and/or summer programs, prepare a similar chart.

*Lunch prices increased February, 1981.

**Major increases in food & labor. Schools are trying to make maximum use of donated foods.

***1980 cost decreased from 1979 due to adding 2 sch. to Breakfast Program-spreading labor & overhea costs over a broader area.

2. **Economic impact the school food service program had on the community in 1979-80.**

a. Dollar value of purchases
Food $ 247,804
Supplies $ 21,163
Other $ 84,352

b. Number of persons employed
Full time 25 (+1 Fd.Serv.Dir.)
Part time 4 substitutes

c. Labor cost in 1979-80
Wages $ 142,167
Fringe benefits $ 22,076(Mtchg.FICA,Retirement;Unemp.)state pays BC-BS;Life Ins.

d. Total value of donated commodities $ 78,291

e. Total federal dollars received for all school food service programs $ 3[illegible],413

3. **Other interesting facts about your program.**

1.Although enrollment decreased, the number of free meals increased(possibly due to lunch price increase).

2.Many families qualify for reduced price meals but try to pay for meals. As prices increase, more people apply.

Chairman **Perkins**. Thank you very much for that statement, Ms. Powell.

Next we hear from Ms. Will.

STATEMENT OF EILEEN WILL, SCHOOL FOOD SERVICE DIRECTOR, SCOTT COUNTY SCHOOLS

Ms. **Will**. Mr. Chairman, at the end of my first sentence you are going to realize that I am not a native Kentuckyian. I apologize for that, but I am one by choice.

I am Eileen Will. I am from Scott County Schools, directly north of Lexington, here in Georgetown. We have an enrollment of approximately 4,100 students. We enjoy a 76-percent participation in our lunch program, which we have on nine sites.

We are unique in that we have only about 24 percent of our enrollment on free and reduced lunches, and this in a sense reflects low unemployment and personal pride. We are not a rich county, however.

We feel that our school food service is operated in a business-like manner. I almost pretend it is my own business and I regret even a 5-cent expenditure which I feel is not necessary.

In forecasting the future with our possible losses, we have anticipated $111,000 loss in our program, which is meaningless except for the fact that it represents about 5 percent of our total income for the coming year ahead.

When last we increased the paying child fees, which was in fall of 1979, we experienced an 8-percent loss in that participation of the paying child. With the addition of labor costs and food costs, because of our low percentage of free and reduced children in our county, we would soon be out of business. We have approximately 50 employees. These too would soon become part of our unemployment statistics.

There are a few considerations I would like to address to the panel if I may. Have we given any thought to the evaluation of our current meal pattern? In our upper grades we have elected the option of offer versus serve, and happily have discovered, in grades 7 through 12 with this option, we have almost completely reduced plate waste.

The proposed commodity cuts to the paying and reduced child are of great consideration. Has any thought been placed on the use in the kitchen of our commodity flour, commodity shortening, to produce some hot rolls? Are we to give those only to the free child? We have gone out of our way many times to make sure that he is not identified.

In addition to that is our commodity program, which is a great part of the whole school lunch concept. Is that in need of some updating? I have listed in my paper two catalog listings by the U.S. Department of Health, Education, and Welfare, the two articles concerning a 10-State survey which was made a few years ago and happily, it was evident that the school lunch program contributed greatly to the well being and health of our students.[1]

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[1] See: *(a)* "Preliminary Findings of the First Health and Nutrition Survey," U.S. Department of Health, Education, and Welfare publication No. HRA74-1219-1 and *(b)* "Highlights, 10 State Nutrition Survey 1968-70," U.S. Department of Health, Education, and Welfare publication No. HSM72-8134).

We have become a nation thinking in terms of preventative medicine. We think in terms of wellness and healthness rather than sickness today. The school-aged child is one to whom we must devote a great deal of energy in that direction. Is it still necessary to provide one-third of the daily caloric intake in our school lunch? With the proposed cuts, can we continue to do this? Many homes, however, are not able to provide—either they are not able or not willing to provide the other two-thirds of the adequate nutritional intake.

Also let us consider the magnitude of paperwork now required for both a director such as myself and also the managers. This in essence is also high cost factor.

There have been some suggestion that personal taxes may be reduced by one-third in the next 3 years. Might it be considered a possibility, if indeed we are to have these cuts, to bring them about, one-third in each of the next 3 years, so that we may adjust our programs accordingly?

In closing, I would like to mention one thing on a personal basis. My work must bring me more than a monthly paycheck. I have personally worked with food service with the elderly, with the disadvantaged and with sick in hospitals, and I have never met more sincere, dedicated individuals than the school lunch employee. And also I have never observed more careful spending of Federal moneys than I have in the lunch program in a responsible and accountable manner.

Mr. PERKINS. Thank you very much, Ms. Will.

Ms. Underwood.

[The prepared statement of Helen Underwood follows:]

PREPARED STATEMENT OF HELEN UNDERWOOD, DIRECTOR, SCHOOL FOOD SERVICE, BULLITT COUNTY, KENTUCKY

Bullitt County Schools

TELEPHONE [illegible]
P.O. BOX [illegible]
SHEPHERDSVILLE, KENTUCKY [illegible]

[illegible]
Superintendent
[illegible]
[illegible]

BOARD OF EDUCATION
[illegible]
Chairman
[illegible]
[illegible]

Date: March 14, 1981

FACT SHEET for Bullitt County
District

TO: Members of Congressman Carl Perkins' Hearings Team

FROM: Helen Underwood, Director School Food Service
Bullitt County, Kentucky

SUBJECT: Impact of Purposed BUDGET CUTS to Bullitt County Schools

1. Bullitt County consist of fifteen (15) public schools - 8 Elementary
4 Middle
3 High Schools

2. Statistical Comparison for three year period

a. Date	Feb. 1979	Feb. 1980	Feb. 1981
b. Enrollment	10,943	11,178	11,069
c. Average Daily Attendance	9,929	10,046	10,185
d. NSLP Participation	8,616 = 87%	8,076 = 80%	7,962 = 78%
Reduced	649 } = 27%	703 } = 32%	801 } = 39%
Free	1,671 }	1,847 }	2,313 }
Paid	6,296 = 73%	5,526 = 68%	4,848 = 61%
e. SBP Participation	3,297 = 33%	2,967 = 30%	2,537 = 25%
Reduced	319 } = 39%	341 } = 47%	350 } = 64%
Free	981 }	1,057 }	1,266 }
Paid	1,997 = 61%	1,569 = 53%	921 = 36%
f. SMP Participation			
Free	11 = -1%	504 = 4.5%	538 = 5%
Paid	1,270 = 10%	1,379 = 12.5%	1,137 = 10%
g. Cost of Meals to Students			
Lunch, Paid	.45 & .55	.50 & .60	.55 & .65
Breakfast, Paid	.25	.30	.35

Summary of above figures:
As meal price increased, the percent of paid meals decreased 9% in a two year period.
Free and Reduced Priced breakfasts increased by 25% in two year period.
Special Milk Program Participation is LOW (Only 5% of students eating with free tickets drink an extra milk per day) and (Only 10% of students who pay for meals drink an extra milk per day.)

3. Projected IMPACT of PURPOSED Federal Cuts on Bullitt County Schools

a. Loss of .1600 reimbursement for paid Lunches.
Loss of .1350 donated foods for paid Lunches.
Total Loss .2950 per meal less for operating expense. (See back of page)
The Total Loss could result in needed increase of approximately .30 per lunch which could result in a 8% plus reduction in participation based on statistical comparison figures.

b. The Bullitt County Board of Education could not absorb the increased cost to provide the same quality meals for all students which we are presently serving. The Board of Education is already making a considerable contribution to the school food service programs by the following:
   (1) Paying the director's salary from the Minimum Foundation Fund as the director was a vocational home economics teacher prior to becoming director and counting as a legal Indirect Overhead on reimbursement claim.
   (2) Paying secretarial help for the director in the central office and counting as Indirect Overhead.
   (3) Paying for maintenance of school cafeteria equipment and counting as Indirect Overhead.

4. ALTERNATIVE RECOMMENDATIONS for reducing the Federal Budget
(Listed in the order of priorities for Bullitt County Schools)

Program Changes	Rationale
a. Eliminate Special Milk Program -	Small percent drinking second milk and students on Free will take an extra one and leave it unopened.
b. Eliminate "Severe Needy" Breakfast -	Continue to fund all Reduced, Free and Paid Breakfasts according to present guidelines.
c. Eliminate Summer Feeding Program -	IF low income families are receiving food stamps.
d. Limit school food service equipment assistance -	To schools which are replacing needed equipment and eliminate available funds to newly established schools.
e. Eliminate Special Breakfast Program -	Fewer students eating breakfast at school as shown in statistical information 2.e. Parents have less money to give students to purchase meals. More parents are without work and at home to prepare breakfast.

*We have a breakfast program in 13 of our 15 Bullitt County Schools and teachers have observed less fatigue, more alertness and ready to learn results in students who have something to eat at the beginning of the day.

*We realize cuts must be made BUT we hope you will consider the relationship between food - good nutrition and the capacity of children to develop and learn AND continue to fund the Child Nutrition Programs in a beneficial manner for non-profit service institutions.

Bullitt County, Kentucky
DISTRICT

IMPACT OF PROPOSED FEDERAL BUDGET CUTS
ON
SCHOOL FOOD SERVICE PROGRAMS
(Calculation Based on October 1980 Claim)

LUNCH

1. Paid Meals

.1600 Section 4 Reduction X 5,141 Average Daily Paid Participation for District X 175 Days = $ 144,025 Projected Loss of Federal Funds for School Year

.1350 Donated Food Reduction X 5,141 Average Daily Paid Participation for District X 175 Days = $ 121,450 Projected Loss of Federal Funds for School Year

2. Reduced Meals

.2850 Sections 4 and 11 Reduction X 828 Average Daily Reduced Participation for District X 175 Days = $ 41,300 Projected Loss of Federal Funds for School Year

.0550 Donated Food Reduction X 828 Average Daily Reduced Participation for District X 175 Days = $ 8,050 Projected Loss of Federal Funds for School Year

BREAKFAST

1. Paid Meals

.1475 Basic Rate Reduction X 1,121 Average Daily Paid Participation for District X 175 Days = $ 28,875 Projected Loss of Federal Funds for School Year

TOTAL PROJECTED LOSS FOR DISTRICT: $ 343,700

STATEMENT OF HELEN UNDERWOOD, SCHOOL FOOD SERVICE DIRECTOR, BULLITT COUNTY SCHOOLS

Ms. UNDERWOOD. I am Helen Underwood, director of school food service in Bullitt County. And being from Bullitt County, we have made the news this week because our boards did vote to take down the Ten Commandments. So I would first like to say amen to everything they said.

Also, when you get this many school food service people together, it looks like someone would have thought to bring some food, but we didn't.

I represent 15 schools. There are 8 elementary, 4 middle schools and 3 high schools. We have enrollment at the present of 11,000. And I have done a statistical comparison over 3 years. I took February 1979, February 1980 and February 1981, to show you where we have come from participation of 87 percent down to 78 percent of the students now eating. And in those percentages, we started out in 1979 with 27 percent on free and now we are up to 39. This is partly because the guidelines were increased, but it is also because the paying child, as the price went up, is bringing their lunch or not eating.

In the special breakfast program, we have a participation of 33 percent in 1979 and we are down to 25 percent now. It has decreased. Of course the breakfast program came about for the free students and the reduced, but you can't make any difference so our participation is down there.

On reduced and free, we are feeding 64 percent of the students right now that are eating breakfast, are free and reduced price students, which leaves only 36 percent paying for it.

We have had some nutrition education tours in our kitchen and our managers have been asking the students why they aren't eating breakfast any longer and they will say well, my mother and daddy have 55 cents to give me for lunch but they don't have that extra 35 cents to give me for breakfast. And they're eating something at home. Regardless of what it is, they're getting something. Most of them are getting something to eat at home. Many of them who eat breakfast at school are also eating breakfast at home.

So in looking over these figures I would just like to summarize these by saying that as our meal price went out, and we haven't made a big jump. We have only made a 5-cent increase per year over the last 3 years. And as the meals went up, we did decrease about 9 percent over the 3-year period.

In our special milk program, you will notice that I had in 1979, we had 1 percent of the students who were eating on free meals were getting an extra milk and 10 percent of the ones on paid were taking an extra milk. We are presently at 5 percent of the ones on free and 10 percent on the paying.

With the proposed impact this is going to make on our Bullitt County Schools, if we do have the cut of 16 cents and the 13.5 cents on the commodities, I have calculated, took October's figures and calculated what it would be for the entire year if we were cut, and it amounts to about 15 percent of our total income for the entire year.

The board of education did not make up for the differences of this. The board of education is presently contributing a great deal to the school food service program, paying the salary of the director from the minimum foundation fund and also paying the secretarial work that I have in my office and also the maintenance of the school food service equipment. All this is counted as an indirect overhead on the report.

And I have made some alternate recommendations which—we had a staff meeting on Tuesday and all the principals and the superintendent and I discussed this, of some places where we felt like that Bullitt County students would be least hurt. And one place is to eliminate the special milk program. One milk per meal would be sufficient. If a student wants more milk they could pay the full price of the milk that we are paying.

The second place would be to eliminate the severe needy breakfast program. We would like to see continuation of the Federal funding of the reduced, paid, and free breakfast.

Third, eliminate the summer feeding program.

Chairman **Perkins**. Let me interrupt you there. Of course your county is a small county, but up our way, with the consolidated schools, children must be up before daylight, to be bused 20 miles and 25 miles, in Pike County 30 and 35 miles. So eliminating that breakfast would not fit up there, whereas it may well fit in Bullitt County, where you don't have to get up until 7:00 or 8:00 to go to school. Out there when you get them up at 5:00, it is a different proposition.

Ms. **Underwood**. I agree with you wholeheartedly. We have 13 breakfast programs in 15 schools, and I have been one of the strong advocates of the breakfast program. However, we seem to have a problem now of being able to work it into the school schedule. If they don't eat before school opens, many of the principals——

Chairman **Perkins**. They eat before school opens up our way. Those buses run so early for the children far out in the rural sections.

Ms. **Underwood**. There I think there would have to be a consideration given to the situation. I know it might be hard to do but I do think it should be.

Another place would be to eliminate the summer feeding program if the families have food stamps and have provision for the meals. Then to limit the school food service equipment assistance to only schools who need equipment to replace needed equipment.

In the 12 years that I have worked in this position, we have opened eight schools in Bullitt County and I feel that any school system that is opening a new school is going to have funds to provide equipment, because knowing the bond issue, they usually provide for it.

And the last but I definitely feel this would be to eliminate the special breakfast program, and I did list this last. That would be the last resort, I think, to eliminate the breakfast program.

Chairman **Perkins**. Well, in some instances where the children get up so early they don't eat anything before they leave home. You are not going to get a child up from Quicksand, transport him 40 miles to Jackson, Ky., and get him to eat breakfast. That is the reason we enacted the breakfast program, those of us who really know Appalachia.

Ms. **Underwood**. And we definitely have many teachers that have stated that with the breakfast program the students are more alert. They are less fatigued and they have done much better work in our schools.

So I guess in my final statement, we realize that cuts need to be made, and I think we are all going to have to accept some cuts and adjust to it and we hope that the funding will not be completely cut out for any group of children. Thank you.

Chairman **Perkins**. Is that all you've got to say?

[Laughter.]

Chairman **Perkins**. I agreed with everything except the point about the breakfast program. Those of us who watch these school bus drivers pick up children before daylight know the reason why the breakfast program was enacted in the first place.

Ms. **Underwood**. Sir, I don't want you to misunderstand. I don't want you to cut the breakfast program out, but I would rather see that than lunch.

Chairman **Perkins**. Our next witness—is Ms. Libby Grever here?

STATEMENT OF ELIZABETH GREVER, HEALTH AND NUTRITION COORDINATOR, COMMUNITY COORDINATED CHILD CARE

Ms. **Grever**. Mr. Chairman, I am Libby Grever, health and nutrition coordinator at Community Coordinated Child Care, 4-C, of Louisville and Jefferson County, Ky. 4-C serves as the sponsoring organization for 23 day-care centers, serving 1,195 children and 31 day care homes serving 225 children. Of these 1,195 in the centers, 37 percent are in the free category, 14 percent are in the reduced category and 49 percent are in the paid.

Last month the total operating cost of the food program in the centers was $39,000, and the total reimbursement was $26,000. The child care food program is now paying 67 percent of the cost. The additional amount must be made up by fees from the parents.

In the last 6 months the average cost of food per day per child rose 12 percent, despite the fact that the centers have cut food cost as much as possible and still provide for the nutritional needs of the child.

The proposed budget cuts would cause many hardships for centers that are already financially strapped. If supplements, and I use the word supplements because we keep reading about snacks, and people interpret that wrong—if they are eliminated in the centers, they will still have to be provided from some other source.

Preschool children spend long hours in the centers and their stomachs cannot hold enough to last from one meal to another. These supplements provide a vital part of their overall daily requirement. They cannot be eliminated if the center is to provide for a child's basic needs. Elimination of the reimbursement for supplements would fall heaviest on those centers serving the most needy.

For example, and I have enclosed in my written paper some charts that show that Center A, which has an enrollment of 42 children, they are all eligible for free so this means that they are all truly needy. They have an average family income of $5,200 per year. In October 1, 1980, this center was receiving $1,503 reimbursement. Under the proposed cut for the reduction for eliminating the supplements, that would be $1,049, a 30 percent cut, which would in turn have to be made up by the parent at $12.97.

Center B, the average family income is $8,900 and the cost that would go to the parents would be $8.46. Center C, where the average family income is $19,500, the cost to the parents would be $3.40. So this shows that the center where the family income is $5,200 will have to pay more than the parents in the center that have an income of $19,500. Changes in the eligibility guidelines would further reduce that reimbursement.

Now if the reimbursement for paid category is eliminated, seven of the 23 centers would simply drop out of the program. It would not be worth their time to continue. So within those seven centers, 76 children qualify for free and reduced meals and the program would not be available to them.

Chairman **Perkins**. So they are the truly needy, to use that term——

Ms. **Grever**. Well, the center of course would still have to serve meals, but the quality and everything, I think that they probably would not bother with the extra paperwork that goes along with the food program. They would reduce the quality of their meals probably, to make up for it. And those 76 children, you know, the meals would not be there through this program for them. So they would be eliminated.

Chairman **Perkins**. So they would not get any meals?

Ms. **Grever**. They would get a meal, yes. The center would serve them. But they would not get reimbursed through this program and the quality of the meal would probably not be as good.

At Center B, which is presently charging $35 per week for child care, this amounts to, in this particular center, 25 percent of the parents' take-home pay goes for child care. So really you cannot look to the parents for any higher fees. What they would have to do is quit work. It would be at the point where they could not afford to work.

Now a brief outline of their budget shows that they have a monthly income of $3,940 and they have a monthly expense of $5,041, so they have a monthly deficit of $101. Now in this particular center it is a church-operated center. They pay no rent, no utilities. It is donated by the church. They have two CETA workers and one-half of the director's salary is paid by the church. Their office and bookkeeping expenses are donated by the church. So they are already being heavily subsidized by the church. But they will have the extra burden of taking up the slack of losing those CETA workers also.

Now the same type budget is attached for the other centers, but I don't have time to go into them. And the only variable expense in this case where they can cut costs is food. Staffing requirements are determined by licensing regulations. Food is always the first thing that is considered in cutting costs. This can only result in increasing numbers of malnourished children. This center is serving a family of neglected children without any charge. If the food reimbursement is decreased at all, they will have to discontinue this and send these children back to the home where there is little or no food at all.

Some of the centers, their in-kind donations provide the main meal each day for 51 foster grandparents. The centers would no longer be able to absorb this added cost, which means they could not accept foster grandparents in their program.

If these cuts are passed, the results would be tragic. The loss of CETA workers has already affected many of them. Parents would have to quit their jobs. Day-care enrollments would decrease, causing many staff to lose their jobs, and in the very low income areas it probably could result in the closing of the day-care centers so that day care in that area would not be available for the families.

Food service workers would lose their jobs. Reduction in title XX money has already caused a great hardship on the centers and probably is going to cause more. The result is that there will not be any day-care centers to serve low-income working families, 69 percent of which are one-parent female-headed households. And in the centers that serve the truly needy, that percentage is much higher than 69 percent. It is more like 85 percent are female-headed households.

Chairman **Perkins**. More inflation because we're going to fail to give the needy a job and train them, and on top of that the parents are going to have to pull out of the pocket huge sums of money if we are to have these day-care centers continue.

Ms. **Grever**. What will these cuts cost? They are going to increase unemployment, increase welfare, increase food stamp recipients, result in loss of revenue from taxes and social security. And while this amount may be small, in some cases they were contributing and hopefully they were going to contribute more as time went on. And it is also going to increase health care costs.

These are just a few of the effects. The effects really are spiraling. Where are the savings? I realize the best way to address these issues is in terms of dollars, but we cannot ignore the human needs of families in this country.

The median income in Kentucky is $19,000 and we are talking today about cuts that will affect families with incomes of less than one-third of that amount. The results of the November election did indicate there was a desire for change, but the decisionmakers must try to identify what the needs of the people are, and strive to meet them. Members of Congress have a duty to examine these programs very closely before making decisions and approving cuts. We must act now because we cannot come back later and make up for deprivations suffered in childhood. Thank you.

[Material submitted by Elizabeth Grever follows:]

Tier I Enrollment: 42 children

Fees: $35.00 per week

Income:	Income from Parent Fees	$ 1002		
	Income from Subsidized Day Care	4535		
	Monthly Income		$ 5537	
Expenses:	Salaries & Salary Expense	$ 5578		
	Foodservice Expense	1075		
	Equipment & Supplies	151		
	Overhead	859		
	Monthly Expenses		$ 7662	
	DEFICIT			($ 2125)
Made Up By:	Reimbursement - Child Care Food Program		$ 952	
	United Way Allocation		773	
	Donation		400	
				$ 2125

NOTE:

1. This center has 12 participating Foster Grandparents.
2. Center has 1 CETA worker.
3. Center has 2 part-time work-experience workers.
4. Center has 2 part-time workers from Senior Citizens Employment.
5. No rent expense - building donated by Community Center.

Tier III Enrollment: 80 children

Fees: $50.00 per week

Income:	Income from Parent Fees	$ 12,835		
	Income from Subsidized Day Care	------		
	Monthly Income		$ 12,835	
Expenses:	Salary & Salary Expense	$ 9,916		
	Foodservice Expense	2,217		
	Equipment & Supplies	861		
	Overhead	833		
	Monthly Expenses		$ 13,827	
	DEFICIT			($ 992)
Made Up By:	Reimbursement - Child Care Food Program		$ 784	
	Donation & Gifts		208	
				$ 992

NOTE:

1. No rent expense - space is donated.
2. Center has 2 CETA workers.
3. Center has 3 participating Foster Grandparents.
4. Center has 2 work-study students.

Community Coordinated Child Care
1355 South Third Street • Louisville, Kentucky 40208 • (502) 636-1358

4-C BOARD OF DIRECTORS POSITION ON PROPOSED CUTS IN CHILD CARE FOOD PROGRAM

The members of the Board of Directors of Community Coordinated Child Care of Louisville and Jefferson County, Kentucky wish to make known to the Senate and House of Representatives of the United States its opposition to the proposed cuts in the Child Nutrition Programs. The Food Stamp Program, WIC Program, School Lunch Program and the Child Care Food Program are all important and affect those referred to as "the truly needy."

The Child Care Food Program, which is a part of the School Lunch Program, is of grave concern to this agency. As the Sponsoring Organization for 23 day care centers serving 1195 children and 31 day care homes serving 225 children, we are in a position to see firsthand the drastic effects the proposed budget cuts will have on the children served and the far-reaching effects this could have on the community as a whole. The proposed cuts to discontinue reimbursement for supplements would necessitate charging the lost amount to the parents who can least afford to pay. The program was designed with children's nutritional needs in mind and supplements (snacks) supply a vital portion of the child's daily requirement.

Eligibility guideline changes will reduce reimbursements even further.

The elimination of the paid category would affect seven of the centers to such a degree the food program would be eliminated. Thus, no meals would be available for those deemed to be "truly needy." This would add approximately $12 monthly to parents' fees.

The School Lunch Program will also be greatly affected by the cuts. If the reimbursement for "paid" children is eliminated, school lunches would be too costly for most families. Without the volume of children participating in the program, lunchrooms would be forced to close. As a result, meals would not be available for anyone.

These cuts would mean that many foodservice workers would lose their jobs, parents would have to quit work because day care is too expensive, day care enrollment would decrease and many of those serving the working poor would be forced to close. The most serious effect of all would be that children are deprived of the food they need to grow, learn and develop their full potential.

We urge all of you to exercise your duties as representatives of the citizens of this country to investigate and study very closely all programs before approving any cuts. We cannot disregard the human needs of all citizens. Increasing unemployment, increasing welfare recipients and increasing health care costs for nutritional deficiencies will cost many more dollars than the lunch program and will inflict much physical and mental pain on those affected.

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Chairman **Perkins**. Our next witness is Ms. Anne Joseph, Kentucky Hunger Task Force. Go ahead.

Ms. **Joseph**. Ms. Marshall and I will make very brief comments, in the interest of time.

Chairman **Perkins**. Well, did you testify yesterday? You did, didn't you?

Ms. **Joseph**. No; I did not.

Chairman **Perkins**. Go ahead.

Ms. **Joseph**. Mrs. Nelson, who is with us, a mother of pre-school-aged children, will speak and then Mrs. Martinsbury and Dr. Dewalt will express our concerns.

Chairman **Perkins**. All right, go ahead.

STATEMENT OF ANNE JOSEPH, KENTUCKY HUNGER TASK FORCE

Ms. **Joseph**. I am here today on behalf of the Council of the Southern Anti-Hunger Coalition, of which the Kentucky Task Force on Hunger is a member, and I do thank you for the opportunity to be with you today.

We represent the statewide antihunger coalitions of Kentucky, Tennessee, Alabama, Georgia, South Carolina, North Carolina, Mississippi and Florida. And in our coalitions we number poor peoples organizations, churches, labor, senior citizens groups, community action agencies, civic groups and legal services. Basically we are an organization of the poor and their allies, all of whom have a concern for issues affecting low-income persons.

The importance of the Federal food assistance programs, and that is all the programs in the Southeast, must be viewed within the context of the severe poverty of our region and the limited ability of our region to respond to this poverty.

In many cases the Federal food programs, and that is all those programs now under discussion, school lunch, WIC, child care feeding program, the summer feeding program and indeed the food stamp program, are the only source of aid to hundreds of thousands of poor children in our region. Any assault upon these programs is a direct assault upon our children, nothing less than an attack upon the future of our nature.

We in the eight States stand firmly against the cuts in the child nutrition programs. Our voices will be heard, and together we hope we can bring some perspective back to the situation. We thank you for your continued efforts on behalf of our children, and we look to assisting you in turning this attack upon these programs away.

Chariman **Perkins**. Thank you very much. Our next witness is Ms. Trudy Marshall, Kentucky Council of Churches.

STATEMENT OF TRUDY MARSHALL, KENTUCKY COUNCIL OF CHURCHES

Ms. **Marshall**. I am Trudy Marshall, representing the Kentucky Council of Churches. I wish to thank you for your support. I will be brief, since we did bring other people with us. I will submit my testimony in writing.

Chairman **Perkins**. Without objection, any extended testimony will be permitted to be inserted into the record.

Ms. **Marshall**. Thank you.

The Kentucky Council of Churches support the child nutrition program and do not, and I repeat, do not favor cuts in any of the programs. Thank you.

Chairman **Perkins**. Let me call on Mrs. Kathleen Dewalt, nutritionist at the University of Kentucky. Is she here? Go ahead.

STATEMENT OF KATHLEEN DEWALT, NUTRITIONIST, UNIVERSITY OF KENTUCKY

Dr. **Dewalt**. I am Dr. Kathleen Dewalt from the University of Kentucky College of Medicine. I am a nutritional anthropologist, a strange beast. My own research has not been in the United States. It has been outside the United States. But in the last few years I have been following data and research which have evaluated the impact of Federal food assistance programs on the nutritional status of children in the United States. I use this material teaching the health professionals that I address.

I wanted to bring to the attention of this group the fact that there is quite a good deal of data that suggests that the Federal assistance, the Federal food assistance programs to the children of the United States has had a tremendous impact on the nutritional status of our children. And I want to include in my remarks all of those programs. It includes not only the food, the school lunch program, which is tremendously important, but the women, infant, and children supplemental feeding program, the summer food programs, the programs in day care centers and the food stamp program, all of which I think need to be looked at as a package.

As I said, several researchers have looked at the problem and tried to evaluate the impact of these programs on the nutritional status. I would just like to mention one, which is probably the most scientifically done and the most convincing. It was done by a number of researchers at St. Jude's Children's Research Hospital in Memphis, Tenn., led by Dr. Paul Zee.

This group of people looked at the nutritional status of children in Memphis in 1969. Now as you all know, many of the programs that we are talking about were in place in 1969, but they didn't have the support that they had in the 1970's. At that time the children were found to—about half of the children were found to be below the 25th percentile for height and weight, which is twice as many as should have been there. Anemia was common. Hemoglobin levels were very low in 28 percent of the children that were surveyed in this study. And visits to families suggested that the main problem was food, nothing else.

Seven years later the same group of people went back to look at these children, a similar group of children in the same community. What had taken place in the intervening 7 years, of course, was the beefing up of older programs and the institution of some newer programs like the WIC program in these communities, and they found a considerably better situation. It was shown that the height and weight of children increased, which means that their overall nutritional status was significantly better, that there was a significant reduction in the amount of anemia, and in the numbers of children with low vitamin A levels. So it was very clear that there were important impacts on the nutritional status.

This same group also looked specifically at children who had supplemental iron-fortified formula in the first 6 months of life and found that that one single food, that one single program, which is part of the WIC program, had had one of the greatest impacts on the amount of anemia. I think probably many of us realize that iron deficiency anemia now, in 1981, is one of our major nutritional deficiency diseases. Ten years ago the picture was much different. We had much more undernutrition in all areas.

Chairman **Perkins**. Thank you very much.

Our next witness is Barbara A. Martinsbury, community nutritionist, Lexington, Ky. Go ahead.

STATEMENT OF BARBARA A. MARTINSBURY, COMMUNITY NUTRITIONIST, LEXINGTON, KY.

Ms. **Martinsbury**. Thank you, Congressman. Dr. Dewalt and I have prepared our remarks together and you will be getting a copy of the documentation we are referring to, which we feel is so important to show the impact of these programs. We are very happy to be able to come today to offer this aspect.

As a nutritionist, we give priority to people at their most critical times in their life cycle, the times when they are in most critical nutritional need, such times as the prenatal period, infancy, adolescence, when great growth is going on. It has been the hallmark of our programs that we have focused on—of our federally financed programs—that we have focused on these particular needs, especially in the last 10 years.

As early as 1972 we had good evidence by the Columbia University School of Public Health that maternal weight gain was the most important determinant of birth weight in infants, and I would like to call your attention to that whole area today because I feel that this is in danger.

As you know, low birth weight places infants at as high as 20 times the risk of brain damage, developmental disorders, and infant mortality. We know that supplementing the diets of poorly nourished women will serve to raise the probability of better birth weight infants. The WIC supplemental feeding program has been doing a fantastic job of meeting that need.

Now is to time to continue that fight. It seems very shortsighted to me to take the relatively inexpensive foods from these needy pregnant women by cutting that program and then, as a nation and a people, to suffer the consequences of years of support required for taking care of the brain-damaged children that might result.

Other cuts that have been proposed in child nutrition programs will hurt all children, but especially the poor. As a community nutritionist, I look at the nutritional health of the community at large and I am extremely sensitive to the needs of the poor.

Economic hard times and the inflation that we are all suffering under has especially hurt this group. They have had to stretch their family food dollar even farther. In many poverty level or working poor homes the one-third to one-half daily requirements that these children are getting through federally funded feeding programs have made the difference. They are getting protein, calories, calcium, vitamin C, vitamin A, iron.

They have been provided by school lunch, by WIC, by food stamps, by the summer feeding program, by food for day care children, and they have meant the difference for many families between health and malnutrition. The line has been very very tight for these people. Changes now will make the difference that can really push families over the brink.

I don't need to remind you that malnutrition means slower learning and greater risk of infections, retarded growth development. As we look to the future, what is more important than the health of our children? These programs have made the difference.

In 1981, we can't allow this to happen, that the health of our children is jeopardized. We don't need to create new ways to feed our children. The programs have been developed. The evidence that we have shown today has shown that they work. Let's continue them. Thank you.

Chairman **PERKINS**. Now we have some 40 witnesses to hear yet, but I would like for you to answer a question. There are going to be about three brief parts to it.

Ms. **MARTINSBURY**. We have an additional witness.

Chairman **PERKINS**. Go ahead.

STATEMENT OF AGNES NELSON, A LOCAL MOTHER

Ms. **NELSON**. Thank you for letting me talk. You are talking about cutting out the program. All right, they're going to cut back food stamps, school lunches. So if your child has a good balanced lunch, that can make the balance up.

The program works. Please don't cut it out. Let it continue. I realize I am poor. I don't like the idea. I am not happy with it. I am poor because I have to be under the court. I cannot go out and work. I go to prison if I do.

I want to see all children, not just poor children, all children get a good meal. Parents who are working outside the home, lots of times you are not there when your child arrives home. The child gets a snack. Maybe it is something the child shouldn't have. They don't eat a well balanced dinner then. They're full of junk.

The school lunch and breakfast programs are needed to allow these children an opportunity to have a balanced meal. And also, if the food stamps are cut because your child now eats at school, what you are saying is the kid eats at school, doesn't have to eat at home, he can eat a balanced meal at school. Please don't cut the program.

Chairman **PERKINS**. Thank you very much.

Now I have a question which I hope you can answer in about 30 seconds. What are you charging now for paid lunches and what price will you go to if President Reagan's proposal is enacted into law? And will your lunch program survive after these price increases? And if they don't, won't you be hurting what the President calls the truly needy? Go right ahead and analyze that in about 30 seconds and we will go all the way across the panel.

Ms. **UNDERWOOD**. We are presently charging 55 cents for elementary lunch and 65 cents for middle and high school. We would need to go up possibly 20 cents, maybe more. So I would say——

Chairman PERKINS. Let me tell you. The subsidy knocks out 40 cents. Those commodities that cost the Government 20 cents will cost you 40 cents. So you are way under.

Ms. UNDERWOOD. You mean if everything——

Chairman PERKINS. Well, if you take all the commodities and all the section 4 payments from the regular program. That is the proposal.

Ms. UNDERWOOD. Well, I will just double what I said.

Chairman PERKINS. All right, then, go ahead.

Ms. UNDERWOOD. We would need to go up to 95 cents and $1.05, and I feel that this would have a tremendous impact on the number of meals eaten because I don't believe the families of those who are not eligible for free and reduced, I don't believe they would have that much money to give students because they range from say three to eight children in the family.

Chairman PERKINS. Well, if it comes about, add on another 25 cents. Go ahead.

Ms. WILL. We are currently at 60 cents, 65 cents and 70 cents, and with that increment of course obviously it would be $1.00, $1.05 and $1.10. Is there anything else you would like me to address?

Chairman PERKINS. Well, what will happen to your regular program? Will the truly needy be affected?

Ms. WILL. In our county the truly needy, as I attempted to point out, would be affected because we have such a high ratio of paying children. We cannot operate the program if the paying children participation decreases another 10 or 15 percent, which we anticipate it will with the rise in prices. There would no longer be a program.

Chairman PERKINS. Ms. Powell.

Ms. POWELL. Our lunch price last October was $1.17. Our school district was paying 12 cents for each of those meals. With the increase in the cost of the total education program, I would say that I would be hard put to get my board to stay with the 12 cents. We will probably continue a program for the free, but our lunchrooms will be much like it is here today. Those of you who are truly needy and who have been here all day and had your meals, and the rest of us did not bring a brown bag.

I do want to mention one thing about the breakfast program, though. You mentioned in your area, the students have to travel 40 miles. We have a small district where two miles is the limit. But when we surveyed our parents, we had pressure from our parents to start a breakfast program. Many of our teachers did not want a breakfast program. Many of our administrators did not. So we decided to survey the parents.

We had an overwhelming mandate of 80 percent, not 51 percent but 80 percent who wanted a breakfast. And I remember the remark of one mother who said I want a breakfast for my child. I go to work at 6 in the morning and I cannot be sure that my child will eat anything.

Chairman PERKINS. Well, that was the trouble we have had all over the country with the school lunch program. Some of our school personnel have not been interested in the breakfast program. They were not interested at all at the start. It took us a long time to get them interested.

Ms. **Powell**. If you would, I would like to make another remark. If you asked me what programs I would like to cut, I would tell you programs that I was not involved in because I know my programs work, but I know these other programs also work, too. I am not familiar enough with them to say cut them and not cut mine. I think we need a total nutrition program.

Ms. **Short**. In Jefferson County, we charge 35 cents for elementary breakfast and 40 cents for middle and high school breakfast. And for our lunch program, in the elementary 75 cents and middle and high school 80 cents. I would say that I would have to go up on my lunch programs to at least $1.35, and I am very concerned about this. We talk about the extremely poor and the wealthy. I am concerned about all children. And we are putting this middle class child in a bracket that cannot meet the expense of $1.35 or $1.40, whatever we would have to charge for our lunch program.

Ms. **Grever**. Child care centers do not charge separate fees for meals, so these must be added to the day care fee that is charged to the parents. And as I pointed out to you, the largest fee increase would have to be in the centers where the total family income is the lowest because they receive the largest reimbursement for their meals. And the least cost would go to the centers where the income is the highest.

So it truly would be affecting the truly needy. And I think any centers where they predominantly have truly needy children or children who qualify for free lunches, eventually they probably would have to close. I don't think they would have anywhere else to go with the loss of all the other funds and——

Chairman **Perkins**. Let's get the food service people to answer this now. Go ahead.

Dr. **Gover**. Congressman Perkins, we charge 70 cents for meals for grades 3 through 12, 65 cents for grades K through 2. And if the proposed cuts are passed by Congress, we will have to add a minimum of 40 cents to that, but I don't think we can make it on 40 cents. I am going to be realistic. I am going to say we will have to add 50 cents to compensate for the loss, plus inflation.

But there is one factor that I pointed out in my report. When the prices go up, the paid child doesn't eat. Therefore, I think the school districts will have to charge a minimum of $2 to keep their lunchrooms open.

Chairman **Perkins**. Mr. Boggs.

Mr. **Boggs**. In Grayson County we charge 65 cents for grades K through 6 and 75 cents for grades 7 through 12. In my estimation we would have to go to $1.10 and $1.20. Now in my experience, this reduces participation greatly. Each time you go up your participation drops. And because of the cost-effectiveness involved in volume feeding, if our participation drops significantly, the first effect is going to be felt by the working poor that we are talking about, the middle class people. Our lunch programs as we now know them are going to disappear. And if we take this kind of cut, our lunch program will first of all affect our working poor, our middle class people, and then ultimately it will affect our very needy because our lunch programs as we know them will disappear.

Chairman **Perkins**. Ms. Mays and Ms. Watts.

Ms. **Watts**. In Campbell County we have 60 cents for the elementary child, 65 cents cents for the middle school, and 75 cents cents for high school. And I am also facing local cuts. So I would predict that our lunch price would have to be increased to $1.20, $1.25 if these proposals are passed.

As the survey resulted, 76 percent of the paying children would drop out, and with only 8 percent paying children eating, we cannot offer a program as we have now.

Ms. **Mays**. Well, like I said, we are charging 70 cents, 75 cents and 80 cents. We would have to go up a minimum of 45 cents. This would be devastating to our whole program. I don't know what the outcome will be. We are a large district and maybe we can absorb some of this, but not much.

Chairman **Perkins**. Now have we finished with this panel? If so, let me thank all of you and congratulate you. You have been very helpful to us. I wish I had time to shake your hands but forgive us. We have so many witnesses to hear yet.

Panel 5, Ms. Ann Smith, acting state director, North Carolina Department of Education; Ms. Wilma Wood, Director, child nutrition, Trotwood-Madison City School, Ohio; Mr. T. G. Smith, coordinator of child nutrition programs, Alabama State Department of Education; Mr. Thomas Bobo, associate superintendent, Montgomery School System, Alabama. All of you come around, and we will start with you, Mrs. Ann Smith.

We are glad to welcome you all here today and we will let you get out as soon as you can. You go right ahead, Ms. Smith, acting state director of North Carolina Department of Education.

STATEMENT OF ANN SMITH, ACTING STATE DIRECTOR, NORTH CAROLINA DEPARTMENT OF EDUCATION

Ms. **Smith**. Mr. Chairman and members of the subcommittee, I am Ann Smith, acting state director for the Division of Child Nutrition in North Carolina. I am pleased to be here today to discuss with you the administration's proposed budget cuts for child nutrition.

I want to thank you and this committee for the support they have given.

In North Carolina, all of our public schools participate in the national school lunch program except one, which is located on an island and it is not financially feasible, serving 852,257 children daily. Eighty-three percent of our schools provide breakfast to 238,892 children daily. And additional 19,354 children are served daily through the child care food program.

There is no question that the children in North Carolina benefit from the child nutrition program, and on a daily basis.

As you are aware, the Reagan administration is proposing a $2 billion cut in these programs. This is a 44 percent reduction in the total budget, when the overall reduction, excluding defense, is somewhere in the neighborhood of 10 percent. We feel that this disproportionate reduction in these programs will result in 900 schools in North Carolina, which serve 426,128 children daily, to discontinue these programs.

Chairman **PERKINS**. You get those facts to your Congressman and select the districts and tell him what is going to happen in those districts.

Ms. **SMITH**. We have done it on a congressional district basis.

Chairman **PERKINS**. Go ahead.

Ms. **SMITH**. While the administration states that one of their three guiding principles in establishing the budget reduction is to protect the benefits of the most needy, while reducing spending[1] we feel that the way they have chosen to proceed will have exactly the opposite effect. When the schools no longer participate in these programs, there are no benefits for the needy. The needy and the nonneedy alike will be hurt by this proposal.

On the surface, the administration's proposal seems reasonable. Why should the Federal Government subsidize meals for the nonneedy child? There are seven specific reasons.

Local school lunch programs operate as a business, which derive most of their income from the paying child. To eliminate these children from the program would eliminate a major source of revenue to this business.

Second, there is a direct relationship between the cost of the meal and the number of children who participate in the program. A 100-percent increase in the price charged to the students, we estimate it will be from 60 cents to $1.25 in North Carolina next year, will result in a significant decrease in the number of children who can afford to participate.

In January of this year when the price for reduced price lunches was increased from 10 to 20 cents, there was a 9-percent reduction in the number of children in the reduced price category who ate lunch. This number is expected to increase in February because some of the local districts did not enact the increase until later in the month.

Third, as participation decreases, the per meal cost increases. Many costs are fixed and will remain as pupils receiving paid and reduced price meals drop off the program, thereby increasing the cost of the meal to the needy pupil. For example, equipment needs are the same whether a school served 751 children or 1,000 meals.[2] The staffing formula used in North Carolina recommends the same number of hours for serving 1,101 meals as for 1,300. In both instances, a reduction in participation of 199 students would not lower those costs. Utilities, facilities and other costs could be included in this example.

Fourth, In some local school districts in North Carolina, the cost of producing and serving the meal exceeds the maximum level of reimbursement. Where this occurs, it is usually the paying student who makes up the difference between the Federal reimbursement and the actual cost of the meal.

If the cost of the lunch is $1.16, as it is in some districts in North Carolina, with no Federal reimbursement for the meal to the paying child, the paying student has to pay his $1.16, but he also pays the 14 cents difference between the dollar to maximum Federal reimbursement and the cost of the meal, or $1.30. And this assumes a 1-to-1 ratio paid to free. If you have more free students than you do paid students, the difference there is wider and the cost to the paying child goes up.

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[1] Statement of Richard Lyng, Deputy Secretary of Agriculture before the Subcommittee on Elementary, Secondary and Vocational Education of the House Education and Labor Committee, March 10, 1981.

[2] Equipment Guide for On-Site School Kitchens, Program Aid No. 1091, U.S. Department of Agriculture, Food and Nutrition Service, Child Nutrition Division

Few parents with two children in school making $15,800 could afford $2.60 a day for lunch, or $1.30 per child. They would be forced to have their children drop out of the program and possibly bring lunch to school, or participate in an a la carte meal program, which some of our school systems are considering. Currently the system that my children attend charges 65 cents for lunch. On the a la carte side of the program, the entree alone costs 50 cents.

Chairman PERKINS. Let me ask you, did you ever study nutrition?

Ms. SMITH. Yes.

Chairman PERKINS. It may be that we may need a witness up in Washington about Wednesday. Mr. Jennings will keep in contact with you. You come from a good area to do some convincing. And I think you are very eloquent. You are a great witness. And we need somebody to go with us before that Budget Committee, and Mr. Jennings will keep in contact with you.

Go ahead.

Ms. SMITH. Without these children in the program, there is no offsetting revenue, causing these schools to discontinue the program.

Fifth, locals boards of education cannot provide meals for only one segment of the school population, any more than they can provide textbooks or transportation for only one portion of the student body. To do so would be to create a devisive attitude among students and parents as the needy child receives the hot, nutritious lunch at school and the nonneedy student who has been priced out of the program brings his lunch from home. In some areas of our State and the Nation, this could lead us back to the racial conflicts of the 1960's.

Sixth, these cuts hit hardest the families just above the poverty line, the family of four making $11,640 to $15,630. Those families would experience a 250- to 300-percent increase in the cost of lunch at school next year. These are people who are struggling to make ends meet in these times of inflation and worsening economy. To price their children out of the program is something we just cannot do.

Finally, needy children will not participate in a program that identifies them as needy. Several years ago we did a survey of low participation schools in North Carolina to identify the differences in their programs and high participation high schools. We found that as many as 50 percent of the children who had approved applications on file for free and reduced price meals did not participate in the lunch program in the low participation schools because the program was perceived by the student body as a free lunch program. Thirty percent of that 50 percent indicated that they didn't eat anything at lunch time. Forty percent of that group brought a bag lunch from home, and when they listed what was in the bag lunch, it was at a significantly lower nutritional level than what was being provided through the school lunch. The remaining students ate off campus and when they listed what they were eating, it was a variety of less nutritious items, essentially the Cokes and potato chips that one of the earlier witnesses mentioned.

For these reasons, if the administration hopes to "reduce spending, but, protect the benefits for the most needy",[3] they must continue to subsidize the meal for the less needy child. Contrary to what the administration would have us believe, these are not children from affluent families. Most would be in the $15,000 to $25,000 income bracket.

Many of the other cuts proposed by the administration will affect the needy as well as the nonneedy. Elimination of food service equipment assistance, elimination of meal supplements in the child care food program, elimination of section 6 commodities for paid meals and reducing these commodities for 8 cents for reduced price meals, the change in the income eligibility for free and reduced price meals, making fewer children eligible, to eliminate the nutrition education and training program, and elimination of the summer food service prorgram for children.

Equipment is purchased to produce all meals, not just meals served to nonneedy children. Elimination of this source of funds will cause the cost of all meals to rise.

The nutrition education and training program teaches all children about nutrition. In North Carolina, this has been done in a framework which can reinforce concepts in other areas (reading, math, science) at the same time. In North Carolina evaluation of this program has shown that these children eat a wider variety of foods and that plate waste in both the lunch and breakfast program is decreased as a result of this program.

It is an accepted fact that most small children need to eat four or five smaller meals during the day, rather than three large meals, in order to meet their nutritional needs. Eliminating funding for supplements will not eliminate this need for needy children as well as the nonneedy. It will only change the source of funding for those between-meals supplements that are so vital to the nutritional well-being of growing children.

Changes in proposed food stamp allocations, which would reduce the value of food stamps received by the family if a child receives a free lunch at school can't help but affect needy children. To avoid losing food stamps, some parents will refuse to allow their child to eat at school. It is not likely that for the dollar value in food stamps saved, the families could provide meals meeting the same nutritional requirements.

USDA-donated foods must be used to prepare meals for all children. Essentially the meals are prepared in the same pot at the same time. You cannot separate out paid from reduced meals during meal preparation. To eliminate the allocation for paid meals and reduce it for reduced price meals will not only create an administrative nightmare, it increases the cost for all meals.

Deputy Secretary of Agriculture Lyng, in addressing the Legislative Conference for the American School Food Service Association last week stated that the administration does not feel there would be many school systems who would discontinue the programs nor a significant decrease in pupils participating in the programs because State and local governments would offset this cost. In North Carolina this just is not possible. The State and local governments operate on a July 1 to June 30 fiscal year. The State budget is prepared on a biennial basis. Local budgets are being prepared right now for next year. Even if the State and local governments wanted to defray these costs and had the funds available to do so, the budget-making process would not allow it.

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[3] Statement of Richard Lyng, Deputy Secretary of Agriculture before the Subcommittee on Elementary, Secondary and Vocational Education of the House Education and Labor Committee, March 10, 1981.

In both the State and the local level, budgets are being reduced right now in North Carolina. There are no funds to defray these costs. In addition, the State matching requirement will also be reduced. In North Carolina right now this is about $6 million. It would more than be cut in half if all of these proposed budget cuts go into effect, further reducing funds avaiable for program operation.

There is no question that improved management and efficiency would reduce the cost of administering these programs while reducing fraud, waste, and abuse. We would generally support the administration's three ways of doing this: Elimination of cost-based accounting, elimination of publication of the income eilgibility criteria for free and reduced price meals, and verification of income for free and reduced price meals, provided that the procedure for verification of income is not so cumbersome as to require additional staff to administer this.

In addition, the procedures must not require local boards of education to get into the business of prosecuting parents. It should be sufficient to eliminate eligibility of the child for future meals and to recover the benefits received this year. Local boards of education cannot begin prosecuting parents.

There are many other regulatory areas where the cost of administering these programs could be reduced. These changes in regulatory requirements should be made and the cost reductions analyzed before we have a 44-percent reduction in the overall budgets for these programs.

Our staff in North Carolina is right now critically examining the regulations for all of the programs that we administer to identify possible alternatives. We recognize that budget cuts are necessary, and we are willing to accept our fair share of the proposed Federal budget cuts. However, we feel that the severe cuts that are now proposed will result in the elimination of the programs in 45 percent of the schools in North Carolina.

Chairman PERKINS. You feel that the $500 million we cut back last year, approximately that amount, is adequate?

Ms. SMITH. Yes. We can take that cut and still survive with the programs essentially the way they are. Two billion dollars will destroy the programs as we know them in North Carolina.

In addition, there are about 200,000 needy children who are now receiving meals in those schools that will discontinue the program. This number will increase in following years as more schools find it impossible to finance the program. I can't believe that this is the intent of the Congress. Nor can I believe that after 35 years of supporting the school lunch program as a means "to safeguard the health and well-being the Nation's children,"[1] all children, not just needy children, that Congress intends to turn these programs into a welfare program. It was not conceived as such and it has not been administered as such since 1946.

At a time when the general public strongly supports cutting the Federal budget, only 13 percent think we are spending too much on child nutrition. Forty percent think we are spending too little.[2] It is incongruous that cuts are being proposed that will devastate these programs. We stand ready to assist in the development of alternatives to prevent this from happening. Thank you.

Chairman PERKINS. Thank you very much. You get ready to come to Washington about Tuesday of next week.

Our next witness is Mrs. Wilma Wood, Trotwood-Madison City School, Ohio. Go ahead.

STATEMENT OF WILMA WOOD, DIRECTOR, CHILD NUTRITION, TROTWOOD-MADISON CITY SCHOOL, OHIO

Mrs. WOOD. Mr. Chairman, I would like to express my appreciation for the opportunity to appear before this committee.

The Reagan Administration has been stating, as I have read the press recently, that this country is in a real mess as they take over. I would like to remind all here that whatever is said about my country, remember it is the best.

The Reagan Administration is proposing to cut $1.6 billion out of our overall $4 billion child nutrition budget. My local food service program cannot continue to operate if a 40-percent overall cut is made in this program.

The Trotwood-Madison City Schools is now serving 80 percent of our 5,000 student population a nutritional school lunch each day. Two-thirds of these students are paying students. One-third are now participating in the free and reduced price program. The administration proposes to eliminate Federal subsidies for our paying students. According to the administration's own estimate, at least 5 million paying students across the Nation will drop out of the program as the cost of the lunch increases.

Each nickel increase in Trotwood has resulted in a loss of participation. A loss of the paying child from my program will destroy the child nutrition program of Trotwood-Madison city schools.

Would it be good business management to roll our big yellow buses down the highway and refuse to pick up all students and just pick up those students that are needy, especially in these times of higher cost and higher gasoline prices? Can we afford to let the needy child ride the bus and drive down the street, eliminating all those that do not meet a certain income guideline?

Well, in theory, the administration's proposal seems to be attractive. Why should the Federal Government subsidize children from families who can afford to pay their own? The theory clashes with the reality. My local school lunch program is a business and they derive most of their major source of income from the paying child. I would be forced to raise the student price to the paying child by 40 or 50 percent for this next coming school year. Past history in Trotwood has proven that this will result in a major drop in participation. This drop in participation would cause my program to close.

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[1] Public Law 396- 79th Congress, June 4, 1946, 60 Stat. 231.

[2] "Bracing for Reagan's Cuts", Newsweek, XCZ21 #8., Feb. 23, 1981.

Volume participation does bring the cost of a lunch down. This basic overhead is needed to feed the truly needy. I can serve more meals with the same overhead and the end result will be a savings to the taxpayer. Please do not eliminate the paying child from my program.

Budget cuts in Ohio schools have already forced a very severe drain on the schools' general funds. State and local funds will not be available to make up the $100,000 loss in revenue that Trotwood-Madison city schools will lose.

Ohio now has a mandatory requirement, as few States do, to feed the free and reduced income children. In schools with one-third free and a majority free or reduced price income levels, Ohio has a mandate to feed these children. However, there is no money behind this mandate, so where will the money come from?

With the loss of the paying child, this will increase the cost of my lunch and increase the cost to feed the free and needy in the State of Ohio. The end result will be a higher cost to the taxpayer to provide the free and needy, and we will lose the paying student from our program.

Mr. Chairman, I have heard from this administration fraud, waste, inefficiency and duplication. The cuts that are now proposed do not address these issues at all. How can eliminating a paying child do anything about fraud, inefficiency, waste or duplication? The proposed cuts that I have discussed will close 80 percent of the child nutrition programs in the State of Ohio.

May I suggest, Mr. Chairman, that maybe we belong in the defense budget. The program was enacted in 1946 and was never meant to be a welfare program but to safeguard the health and well being of the Nation's children. If I can justifiably assume that this administration is interested in national defense, then such a successful program cannot be eliminated. The health and well being of our Armed Forces must be of prime importance in this country.

Mr. Chairman, I simply cannot believe that the true purpose of this administration is to eliminate the national school lunch program. The program was enacted in 1946 to safeguard the health and well being of our children and to encourage the domestic consumption of nutritious agricultural commodities. It has operated since that time as a major contribution to child nutrition in this country. The program provides nutritional lunch to all students, both poor and needy, and it also benefits the entire surrounding community.

If I can assume the intent of this administration, it is not to devastate such a successful program. I must assume that at least one purpose is to shift more funding responsibility to State and local governments and to parents. This intent is in fact stated in the administration's program for revitalizing the economy and is consistent with this administration's overall intent to redistribute Government services and funding to State and local level.

The State and local funding potential is exhausted. The administrative cuts will not be absorbed by the State of Ohio or the local level or the local school lunch programs in the local general operating fund.

Many school districts will drop out of the lunch program. Some will serve a snack-type a la carte lunch. Many students will pack their own lunches, and let me describe a few that I have observed recently. In many cases both parents are working out of the home, if they are even in the home. You will find students packing their own lunches, maybe getting up early in the morning, packing ice and pop in a thermos at home and then going down to a local snack store carryout to fill the box with salt and sugar goodies. I ask us please to consider the health of these young Americans.

The Trotwood-Madison city schools has participated in the national education training program, known as NET. We have removed all signs from our cafeterias. They are now child nutrition centers. This program has been very effective. We have increased our participation. We have cut plate waste. We have been involved with weighing both liquid and solid waste. Our findings reveal there is a definite relationship between nutrition education and what is going on in the classroom and the student consumption of a nutritious meal. With 13 years of teaching behind me, I entered this field realizing some of the problems and feeling that we definitely could correlate the nutrition program with the classroom. Trotwood has done that and we are presently trying to expand our program with a districtwide curriculum.

Mr. Chairman, I simply cannot believe that the true purpose of this administration is to eliminate the child lunch program. If the proposed budget cuts are enacted, a terrific blow will strike across this country and it will reach every home, either directly or indirectly. A recent poll conducted by Newsweek (published February 23) has reported that the program that has the greatest support is child nutrition. I urge this committee to support child nutrition for today's schools. I thank you for the opportunity to speak to you.

Chairman **Perkins**. Thank you very much for a good statement.

Our next witness is Mr. T. G. Smith, school food service director, Alabama State Department of Education. We welcome you here. Go ahead, sir.

STATEMENT OF T. G. SMITH, COORDINATOR OF CHILD NUTRITION PROGRAMS, ALABAMA STATE DEPARTMENT OF EDUCATION

Mr. **Smith**. Thank you, sir. I am T. G. Smith, coordinator, child nutrition program, State of Alabama. And I appreciate the opportunity to present testimony relative to the child nutrition program cuts today.

We in Alabama and the entire Nation are concerned about the change in emphasis of our Nation toward child nutrition programs. The Federal effort to eliminate malnutrition for children dates back to 1946 when the National School Lunch Act became law. Since that time, the Federal commitment to child nutrition programs has gone from approximately $60 million to a budget of $3 billion, almost $4 billion for fiscal year 1982.

Why, I ask, would a government that has multiplied its efforts more than 65 times over a period of 35 years suddenly decide that child nutrition programs are too expensive?

The primary emphasis of the present administration seems to be to balance the budget at all costs. Indications are that the Federal spending should be reduced, but a 40 or possibly 44 percent reduction in Federal support in one year will have an impact in child nutrition programs that will negate much of the progress that has been made during these past 35 years.

Those who feel that the Federal support should be to provide only meals for the truly needy do not realize that the modest subsidy for the middle class students has provided the stability to insure the success of the program. The average taxpayer of America feels very strongly, even now, that he is paying double for his child's lunch. He is paying for his child's lunch on a daily basis and paying the taxes that are supporting the lunch for the free meal recipient. Parents will not support a program that is being funded by their taxes if their own children are forced out of the program because the lunches are too expensive.

The State of Alabama serves just under 100 million lunches a year. During the 1979–80 school year, 50 percent of those lunches were free, 7 percent were reduced priced, and the remaining 43 percent were paid.

I would like to comment at this time, Congressman, that every school in the State of Alabama at the present time has access to a school lunch program, and 55 percent of the schools have a breakfast program. But we feel like we have made some progress.

If the proposed budget cuts are implemented, it will be necessary for schools in Alabama to increase the cost of a paid lunch by a minimum of 50 cents. This will force as many as half of the present 43 percent who are paying for their lunch out of the program. The new income poverty guidelines will change approximately 2 percent of the reduced price meal recipients to the paid category, and it is very unlikely that these students will be willing to pay $1.50 for a lunch they have been receiving for 20 cents.

There appears to be an inequity in the Administration's approach to budget cutting. Education programs account for only 1 percent of the Federal budget, but have been targeted to bear 7 percent of the cuts.

If the child nutrition program cuts contained on the Omnibus Reconciliation Act of 1980 are continued and President Reagan's proposed budget cuts are implemented, many schools in Alabama may find it impossible to keep their lunchrooms open. There are many school lunch programs in the State now on the verge of bankruptcy. The proposed budget cuts, if implemented, will cause many school districts in Alabama and the Nation to close the program for all children, free, reduced and paid.

Based on its existing Federal legislation, we have projected a $5 million loss in Federal support for child nutrition programs in Alabama for the second half of the present school year. If you use the data from the International Foodservice Manufacturers Association to estimate potential losses to businesses that cater to the school food service trade, you realize that that $5 million suddenly becomes equivalent to a $20 million loss.

If the fiscal year 1981 cuts contained in the Omnibus Reconciliation Act of 1980 become permanent, as is being presently discussed, Alabama is projected to lose $19 million in Federal support for the 1981-82 school year. And here again, if you use the data from the International Foodservice Manufacturers Association to estimate potential losses to businesses that cater to school food service trade, you realize that that $19 million suddenly becomes a $76 million loss.

These proposed cuts have implications that go beyond feeding children. They impact on the economy of the Nation. For instance, during the 1979-80 school year, child nutrition programs in public schools of Alabama purchased food items costing $65 million, had an equipment cost of $3.4 million, purchased nonfood supplies costing $3.6 million and paid labor costs of more than $39 million. These funds, something over $111 million, not counting State funds, impact on the national economy by providing a market for food from farmers, equipment from manufacturers, and employment for approximately 8,000 Alabamians, many of whom are the sole support of their families and may well become welfare recipients if school administraters close the lunch program.

Mr. Chairman, in all the discussion relative to budget cuts for child nutrition programs, I have not heard one word to indicate that there will be a reduction in the regulatory requirements for the administering agency, in the case of Alabama, the Department of Education. The present requirement of States to provide administrative and technical assistance to sponsoring agencies, I am quite sure, will continue. Only in recent years have administering agencies received State administrative expense funds in a sufficient amount to build and maintain a staff to administer the program.

On May 15, 1979, I presented testimony to your committee, the Subcommittee on Elementary, Secondary, and Vocational Education. My testimony at that time dealt primarily with State administrative expense funds and why States needed the full 1.5 percent as authorized in Public Law 95-627. Since that time the U.S. Department of Agriculture has issued regulations that require States to implement an assessment, improvement and monitoring program. The 1.5-percent discretionary funds are still allocated in a manner which do not permit most States to build staff.

With the reduction of Federal funds that generate State administrative expense funds, States will once again see staffs dwindle and States will not be in a position to provide local education agencies with the necessary administrative and technical assistance.

A major problem with the present legislation concerning the State administrative expense funding is the lack of authority to carry over unused funds. Public Law 96-166 authorized States to carry over unused fiscal year 1978 funds for use in fiscal year 1979. Congress could make a major contribution in approving the child feeding program by authorizing States to carry over unused funds.

In summary, Mr. Chairman, we are concerned that the system that has been developed with the financial support and approval of Congress during the past 35 years to improve the health and well being of our Nation's children will be dismantled in many schools of this great Nation. Let us assume that in 5 years Congress sees the damage that has been done to the children of this Nation and would like to rectify that damage. It would require untold billions of dollars to bring the system back to the point where it is today.

One final remark. We should not forget that one of the primary reasons the National School Lunch Act was passed was to insure that the citizens of the Nation would be physically and mentally fit to protect our freedom. Thank you.

Chairman PERKINS. Thank you very much. I am glad to welcome you before the committee again. I remember we had that testimony before, and that has not been too long ago.

Mr. Thomas Bobo, associate superintendent, Montgomery Public School System, Alabama. Go ahead.

STATEMENT OF THOMAS BOBO, ASSOCIATE SUPERINTENDENT, MONTGOMERY PUBLIC SCHOOL SYSTEM, ALABAMA

Mr. BOBO. Mr. Chairman, it is a pleasure to be here today and to testify before you and the members of the committee concerning many of the problems that we are having in public education. We have known you to be a friend of ours over the years and we greatly appreciate this.

As these are trying times for us, I know that they must be also for you, not only for the lunch program but the many other things that we are hearing and having to face at this time. I wish to speak for a few minutes concerning the lunch program as it relates to the Montgomery Public Schools in Montgomery, Ala.

We have a total enrollment of approximately 35,000 students in Montgomery. Ours is a combined city and county system with Montgomery being the State capital. A large portion of our county's population resides within the city limits of Montgomery. However, we are a large county and we do have to bus a lot of students. We have been under court order for a number of years, 12 I know and maybe more than that. Many of our students are required to attend a certain school, which means that they must leave home quite early in order to get to school.

The breakfast program is of prime importance to us, as it is I am sure to many other people, as well as the lunch program. But the busing situation, as well as our court order, makes the lunch program one that is almost—it is very difficult for us to comprehend the proposed cuts that are coming about or that are proposed.

The school lunch program has had over the years a tremendous effect on the boys and girls of our community. As you know, in many cases this is the only balanced meal that many of our children receive. Cuts or elimination of this program would drastically effect the schoolchildren of our system and their ability to function in the classroom.

Let me state some basic facts as to how the proposed cuts will affect our public school system. In 1979-80, the Montgomery public schools served 4,853,532 lunches. Of this number, 1,848,262 were paid lunches, 3,005,263 were free and reduced price lunches. This means that 38 percent of our total lunches served were paid lunches. Sixty-two percent were free and reduced price lunches. Of the paid lunches, we received a reimbursement of 18.5 cents per lunch, for a total in 1979-80 of $341,928.47. The administration's program would totally eliminate this amount from the Montgomery Public Schools.

For the 3,005,263 free and reduced price lunches in 1979-80, we received 18.5 cents per lunch, for a total of $555,974.59. The present administration proposal would reduce that 18.5 cents to 9 cents, for a total reimbursement of $270,474.12. This would be a loss to the Montgomery Public School System of $627,428.94 of these reimbursable amounts.

It is my understanding that the present administration's proposal is to eliminate the value of the commodities from 15.9 cents per lunch zero on meals where students pay. This would be a loss to the Montgomery Public School System of $293,873.66. The reduction of the value of the commodities for free and reduced price lunches would be from 15.9 cents to 8 cents. This is a reduction to our system of $273,416.17.

The total loss of the present administration's proposal, based on our figures from 1979–80 to the Montgomery Public School System's child nutrition program would be $1,158,718.17. This figure is approximately 20 percent of our child nutrition budget. We realize that a school system with a high percentage of free lunches will place a disproportionate increased cost on the paying student to absorb the administration's proposed cuts. Should we sustain this loss, the lunch prices for the paying students in Montgomery would increase 63 cents. The price of lunches next year in the Montgomery Public School System would be approximately $1.63 per lunch. This figure does not take into consideration the fact that many of our paying students would no longer be a part of the school lunch program. Nor does it include any inflationary costs for the price of food or labor increases.

The proposals the administration is making concerning the child nutrition program will, in my opinion, eliminate the food service program in many of our schools. The loss of the child nutrition funds, plus the elimination of the impact aid funds, of which we had the pleasure to testify before your committee many many times on, and that we totally support in Montgomery, Public Law 874, that amount would be $1.4 million if the administration is successful in cutting out our impact aid funds. It will drastically curtail the education process for the boys and girls of our system. We are opposed to all of these cuts.

Mr. Chairman, I thank you for the opportunity to testify before this committee, and I again personally thank you for your efforts in the past, not only the child nutrition program but also the impact aid funds.

[Material submitted by Thomas Bobo follows:]

EFFECTS OF PRESIDENTIAL PROPOSALS
ON
CHILD NUTRITION PROGRAM

MONTGOMERY PUBLIC SCHOOLS
Montgomery, Alabama

	1979-80 Lunches Served	1979-80 Percentage	Reimbursement on Total Lunches Served at 18.5¢	Proposed at 0 & 9¢	Loss
PAID	1,848,262	38%	$341,928.47	-0-	$ 341,928.47
FREE & REDUCED	3,005,268	62%	$555,974.59	$370,474.12	185,500.47
TOTALS	4,853,530	100%	$897,903.06	$370,474.12	$ 627,428.94
Lost Value of Commodities with Reduction from 15.9¢ to 0¢ per meal for Paid Lunches					$ 293,873.66
Lost Value of Commodities with Reduction from 15.9¢ to 0¢ per meal for Free and Reduced Lunches: 3,005,268 x 7.9¢ =					$ 237,416.17
			TOTAL LOSS		$1,158,718.77

This $1,158,718.77 is approximately 20% of the Montgomery Public Schools' Child Nutrition Program Budget for 1979-80.

$$\frac{\$1,158,718.77 \text{ Total Lost Funds}}{1,848,262 \text{ Number Paid Lunches}} = \$.63$$ Increase per Lunch Cost to be Absorbed by Paying Students Per Lunch Served

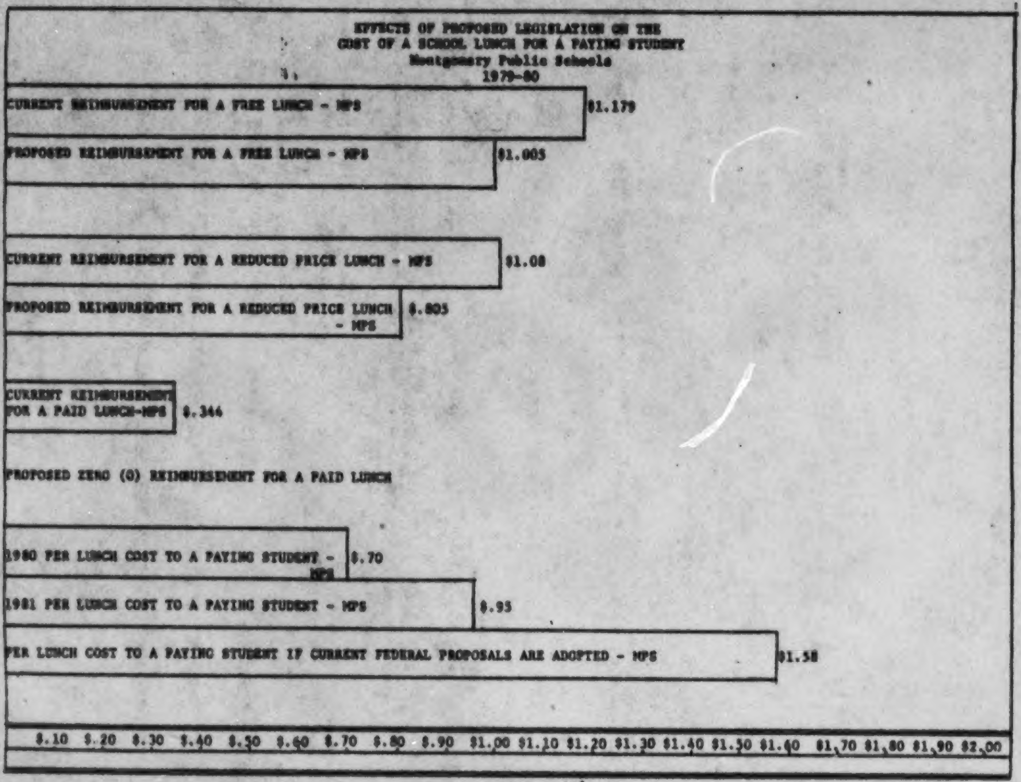
This $.63 minimum increase is based upon the erroneous assumption that all present paying students will continue to purchase lunches.

No allowance has been made for price increases that will be mandated by inflationary pressures on the cost of food, milk, labor, equipment, utilities or miscellaneous supplies.

THE INCREASED COSTS THAT MUST BE ABSORBED BY THE PAYING STUDENTS WILL VARY FROM SYSTEM TO SYSTEM.

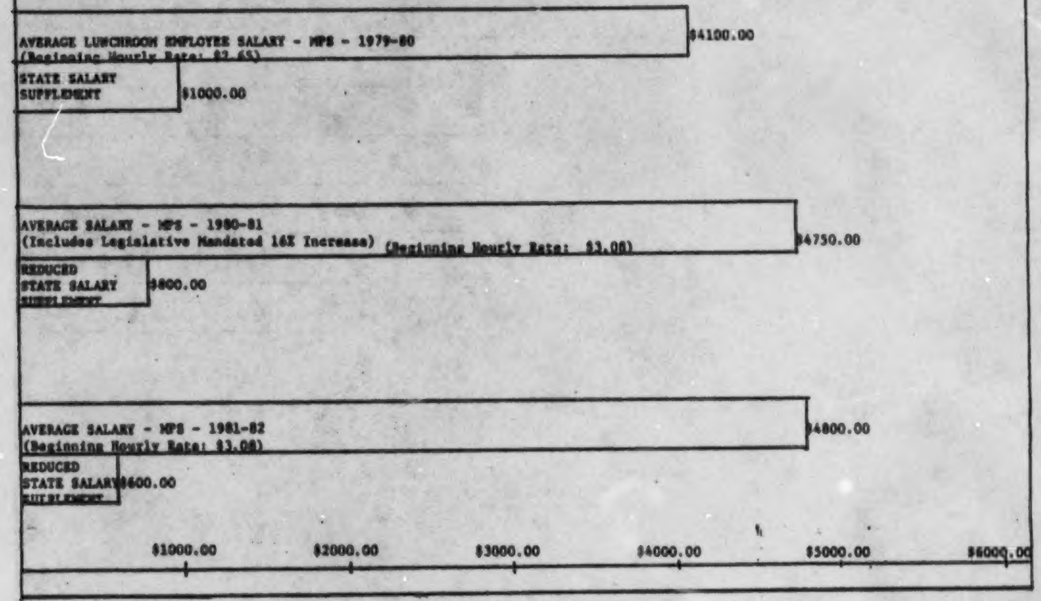
THE GREATER THE NUMBER OF FREE LUNCHES, THE GREATER THE INCREASED COST TO THE PAYING CHILD.

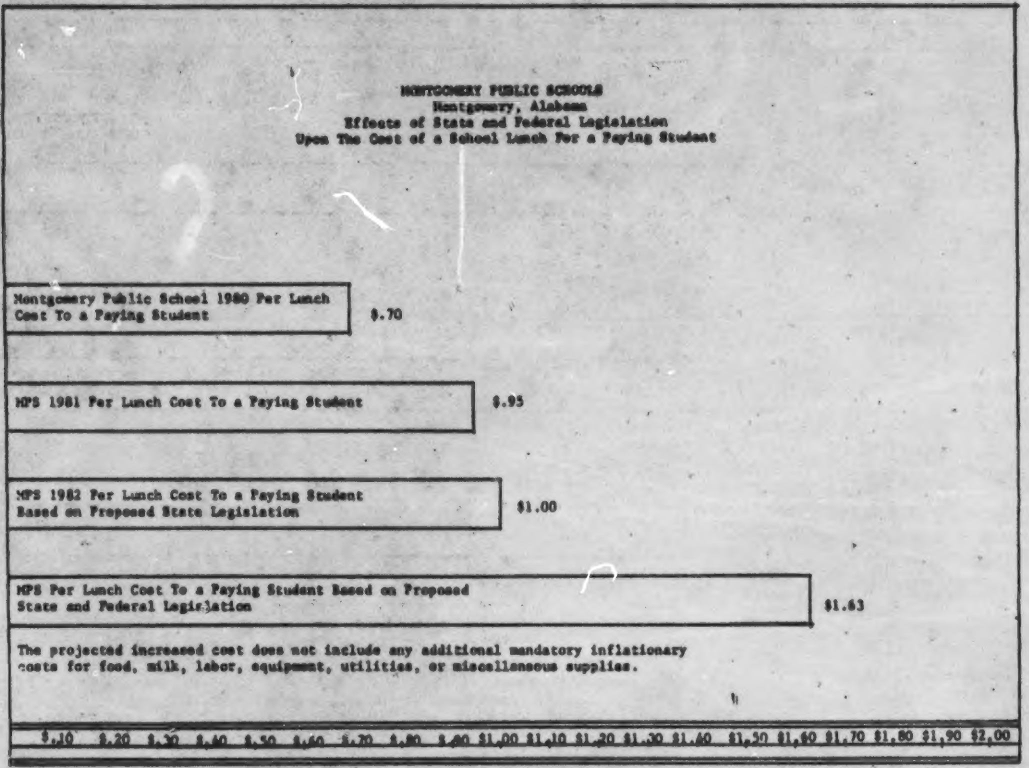
THE TOTAL INCREASED COST FOR THE TOTAL FOOD SERVICE PROGRAM MUST BE BORNE BY THE PAYING CHILD.



EFFECTS OF PROPOSED LEGISLATION ON THE
COST OF A SCHOOL LUNCH FOR A PAYING STUDENT
Montgomery Public Schools
1979-80

MONTGOMERY PUBLIC SCHOOLS
Montgomery, Alabama
Lunchroom Salary Related Information





MONTGOMERY PUBLIC SCHOOLS
Montgomery, Alabama
Effects of State and Federal Legislation
Upon The Cost of a School Lunch For a Paying Student

The projected increased cost does not include any additional mandatory inflationary costs for food, milk, labor, equipment, utilities, or miscellaneous supplies.

Montgomery
Public
Schools

P.O. Box 1991
Montgomery, Alabama
36197

BOARD OF EDUCATION MEMBERS
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Dr. John H. Winston, Jr.

HENRY H. ADAIR, Superintendent

RESOLUTION

WHEREAS, members of the Montgomery County Board of Education do strongly support the Impact Aid Program as provided in Public Law 874 and the federally subsidized School Lunch Program; and

WHEREAS, members of the Montgomery County Board of Education recognize that funds derived through PL-874 are in lieu of taxes which would otherwise be paid on properties housing federal installations such as Maxwell Air Force Base and Gunter Air Force Station; and

WHEREAS, it is further realized that to reduce or eliminate Impact Aid coming to the Montgomery Public School System would be disastrous, necessitating the lowering of standards for all school children or the passing of new taxes, and

WHEREAS, special notice is given to proposed cuts in the School Lunch Program, cuts not only in the reimbursement per lunch served but in the commodities provided; and

WHEREAS, if these cuts are put into effect, the price of a lunch for the paying child would be driven still higher; and

WHEREAS, it is felt that the end result of these drastic cuts being proposed for the School Lunch Program would be chaotic:

NOW, THEREFORE BE IT RESOLVED that members of the Montgomery County Board of Education in a public meeting February 26 voted unanimously to support and to urge others to support Impact Aid and the School Lunch Program.

Executed, this 9th day of March, 1981.

E. Kyle Renfroe
E. Kyle Renfroe, Chairman

Henry H. Adair
Henry H. Adair, Superintendent

LEARNING TOGETHER TO THINK FOR OURSELVES

Mr. **Perkins**. Let me just say that Congressman Kildee just suggested that this is a blue ribbon panel, and I agree here with Congressman Kildee on my left. If the people throughout the Nation, if the press and media throughout the Nation, could hear you four people testify, there would not be any problem in saving the school lunch program from destruction.

And it would be my hope that you people could educate your Congressmen in Ohio, Alabama, everywhere else, my friends. It is necessary, really necessary.

Now you had a great group of food service people in Washington about 2 weeks ago. After you left up there I checked with 10 Congressmen. Only 3 out of the 10 had been visited by your food services people. So that shows that a lot of the people up there in food services didn't do their job. They just didn't do it. I picked those Congressmen at random on the floor of the House.

And if we can let the Members in the House know about the true situation, they will be reluctant to cut these little children out of the program, to deprive them of a lunch. And we may have to fight fire with fire, to let some of these little children write their Congressmen and Senators.

I had to scrap a little with Jesse Helms last fall along this line, and maybe you can educate him a little better. We all need to be educated a little better. I am not calling on anybody. It is something that I believe in and I think it is the only righteous thing to do. If we don't do it it is a dereliction of our responsibility. We can't let somebody come along with a big steamroller, shooting from the hip, and taking a meat ax approach. Our Government was never set up that way in the first place.

But let me thank you all of you. Mr. Hawkins and Mr. Kildee may have some questions, but your testimony has been so clear, I don't have any questions myself.

Do you have any questions?

Mr. **Hawkins**. No. I concur in the statement that the panel has been excellent and a blue ribbon panel.

Mr. **Perkins**. Mr. Kildee.

Mr. **Kildee**. I just now remarked to the chairman that you are really a blue ribbon panel. I just wish that OMB could have had the benefit of your knowledge. Thank you.

Mr. **Perkins**. Thank all of you very much. We are so busy here, I don't have time to shake hands, but we wish you all well.

Our next panel is Dr. Gene Watson, superintendent of Madison County, Ala.; Dr. Phil Whiteman, assistant superintendent for Federal affairs, Indiana Department of Education; William Rotert, director division of administrative services, Hamilton County schools, Ohio; Donald Shebuski, superintendent of Ingham Intermediate Unit, Michigan; Dr. Roger Clough, superintendent, Mason City Community Schools, Iowa; Mr. Ronald Dickerson, administrator of area education agency, Iowa; and Mr. Arthur Turner, superintendent, public schools of Missouri. Thank you very much for coming here.

All right, we will start with you, Dr. Watson. You are the first one listed. All the prepared statements will be inserted in the record and go to it.

[The prepared statement of Gene Watson follows:]

PREPARED STATEMENT OF GENE J. WATSON, SUPERINTENDENT, MADISON COUNTY SCHOOL SYSTEM, HUNTSVILLE, ALA.

PROJECTED IMPACT OF PROPOSED FEDERAL SPENDING REDUCTIONS ON THE MADISON COUNTY SCHOOL SYSTEM

I. Introduction and Overview

The following statement is a quotation from a Department of Education publication: "The Administration recognizes that the primary responsibility for financing elementary and secondary education rests with State and Local governments. Federal spending is justifiable only in those circumstances in which a clear federal role can be identified."

In keeping with this philosophy, the Reagan Administration has submitted a tentative proposal for the reduction of federal spending in the area of education by consolidating separate elementary and secondary programs into two block grants with a twenty percent decrease in overall spending. A companion measure would repeal or replace existing legislation to allow available funds to be used for any, some, or all of the originally targeted purposes.

The intent of this presentation is to illustrate the effects of these proposals on public education in general by citing the specific impact on one school system—that of Madison County in Huntsville, Alabama. (See Appendix A for demographic data.)

Traditionally, appropriation of federal funding has been combined with federal mandates governing expenditures of funds, with little or no local option. Compounding this problem are two further complications:

A. Mandates may be imposed with no funding as in the case of Section 504 of the Rehabilitation Act of 1973 which requires vast architectural reforms to create a barrier-free environment for the handicapped, but provided no financial support.

B. Mandates may be imposed with budget allowances which are never appropriated as in the case of P. L. 94-142 which allowed funding on an escalating scale to 40 percent of cost by 1982 (30 percent in 1981), but has only approved appropriations of 12 percent to date. Although full funding has not occurred, full compliance with the law is required.

Additional problem areas include:

1. Local administrative requirements: Reporting, monitoring for compliance, and detailed program and budget applications impose tremendous burdens on LEA resources. Contrary to popular belief, these costs are not covered by federal funds as a general rule, but are usually absorbed locally as "in kind" services.

2. Duplication in federal agencies: Reports, monitoring and regulations are frequently imposed by two or more federal agencies on single LEA programs. For example, the Education Department (ED), Office of Special Education (OSE), and the Office of Civil Rights (OCR) separately review programs related to service of the handicapped.

3. Comparability: Title I regulations require that expenditures supplement rather than supplant state and local funds. This requires that total funds spent per pupil in a Title I school must exceed the per pupil expenditure in a non-Title I school at least to the amount of Title I monies budgeted for that school. This requirement has always dictated an involved accounting process, and has become increasingly complex as a result of specific service mandates from other federal programs.

4. Maintenance of effort: The stipulation that continuation of programs must be provided regardless of changes in financial resources serves, in effect, to earmark state and local funds.

Details of the impact on the Madison County School System in terms of dollar loss and loss of full-time equivalent (FTE) teacher units are presented in Chart 1. (FTE is used for purposes of comparison. In the attached Impact Data statements, more specific information is provided.)

Chart 2 details impact to the Madison County System of proposed federal cuts in the Child Nutrition Act.

Federal mandates are frequently attacked as unnecessary barriers to LEA operations. However, the proposed total removal of federal regulations may serve to erode service delivery and will certainly result in lack of consistency among LEA programs and from state to state.

Federal funds have made possible many programs and services which would not otherwise have been possible. Compensatory programs such as Title I have been instrumental in raising overall academic achievement levels. (See Appendix B.) Public Law 94-142 has helped to make appropriate programs available to children formerly receiving no service. The Child Nutrition Act has been a major factor in improving the general health of school children.

In summary, I offer the following statements:

1. The impact of the proposed federal reduction in funding will have a very significant effect on this school system—an estimated $293,894 in child nutrition programs and $326,249 in vocational and other programs.

2. It must be pointed out with as much emphasis as possible that these reductions will be felt in direct services to children—services which cannot be assumed from other sources.

3. Some proponents of the budget cuts are suggesting that the elimination of federal mandates such as Public Law 94-142 will justify the proposed reduction in funds. Many superintendents of education will probably accept this approach. However, most school systems similar to Madison County will not be able to make cuts at the administrative level in the federal programs because most of the responsibility for meeting federal mandates rests with central office staff who are not paid with federal funds. Also, less than 1 percent of all federal funds in this system go into administrative positions. The result will be the loss of direct services to children, primarily the disadvantaged and handicapped.

4. In reference to the mandates, it is agreed that many need to be revised and condensed, and some eliminated. The magnitude of paperwork required at the local level cannot be over-emphasized. However, without some mandates or guidelines from the federal level, the funds will not always reach the children for whom these funds are intended.

5. Another major problem is seen with the "reduce funds eliminate mandates" approach. The budget cuts are expected to become effective in the next fiscal year. When will the changes in th mandates and laws occur? Traditionally, the process for these changes takes several years, and in some instances these changes never occur. It is suggested that this Committee should know specifically which mandates are to be eliminated before making a reduction in funds to local schools.

6. If federal funds are to be reduced, I suggest that priority be given to making these cuts at the state and national levels. This is where the administrative costs are the greatest. Since the elimination of mandates is likely in either option, this would further support the cuts being made at the state and national levels. Any reduction of funds at the national and state levels should not directly affect the children.

7. The specific line item prescriptive approach found in many federal programs should be eliminated. If it does not directly serve students, it should be eliminated.

It is recognized that economic inflation must be brought under control. The efforts of the administration to balance the federal budget are commendable and should be supported. The urgent request of this presentation is that careful consideration be given to the effectiveness and impact of programs before specific decisions are made so that advances achieved in education over the past several years are not reversed.

CHART 1—Impact of Proposed Federal Funding Decreases on the Madison County School System

Programs	1981 total budget	20 percent reduction	1982 total budget	Impact of reduction expressed in loss of teacher units
Vocational	$145,250	$29,050	$116,200	2
Title I	986,839	197,367	789,472	12½
Public Law 94-142/Title VI-B	230,806	46,161	184,645	3
ESAA	179,116	35,823	143,293	2¼
Title IV-B	37,373	7,474	29,899	½
Title IV-C	32,874	6,574	26,300	½
Adult education	19,000	3,800	15,200	¼
Total	1,631,258	326,249	1,305,009	21

Note. An additional $95,833 was lost in the termination of impact aid funds. Inflation salary schedule increases and other factors will further decrease effective funding level.

Chart 2—Impact of proposed Federal funding decreases in the Child Nutrition Act on the Madison County School System

1. Reduction of basic meal subsidy	$14,925
2. Reduction of USDA commodity assistance	11,940
3. Change to annual adjustment of meal reimbursement	41,341
4. Prohibit commodity assistance to breakfast program	10,166

5. Eliminate meal subsidy for paying students:	
Section 4 funds:	
Lunch	$94,640
Breakfast	10,455
Commodities: Lunch	81,331
6. Decrease reduced price lunch reimbursement	29,096
Total loss to Madison County schools	293,894

Note. More detailed impact data and a breakdown of loss per plate will be found in sec. A of the impact data summary.

II. Impact Data

A. Child Nutrition Act

1. Specific Impact of Proposed Reductions

a. Present Status of Madison County Schools Food Service for 1979-80:

		80-81
Lunch		
Total students enrolled	9,270	
Total students served/day	6,489	
Number paid meals	3,380	
Number reduced price meals	326	
Number free meals	2,783	
Average sale price		
-Elementary	50¢	65¢
-Secondary	55¢	70¢
Average cost of lunch		
-Food	.4710	
-Labor	.2970	
-Supplies	.0418	
-Value of donated commodities	.1953	
-Indirect cost	.0252	
-Miscellaneous	.0427	
-Total cost	$1.073	
Breakfast		
Total students enrolled	9,270	
Total students served/day	1,964	
Number paid meals	405	
Number reduced price meals	104	
Number free meals	1,455	
Average sale price		
-Elementary	25¢	35¢
-Secondary	25¢	35¢
Average cost of breakfast		
-Food	.2366	
-Labor	.1494	
-Supplies	.0212	
-Value of donated commodities	.0300	
-Indirect cost	.0126	
-Miscellaneous	.0210	
-Total cost	$ .4708	

b. Proposed Reductions Based on 1979-80 Data

(1) Specific reductions for Madison County based on federal cuts.

FY 81 "only" cuts

(a) Reduction of basic meal subsidy to schools (Section 4 funds) by 2.5¢; Loss to Madison County: $14,925

(b) Cut USDA Commodity Assistance for school lunch by 2¢; Loss to Madison County: $11,940

(c) Adjust meal reimbursements once rather than twice yearly; Loss to Madison County: $41,341

Permanent Cuts

Prohibit commodity assistance for school breakfast program; Loss to Madison County: $10,166

Proposed Cuts

(a')Eliminate meal subsidy for paying student; Loss to Madison County Section 4 funds:

.16 x 3380 x 175	Lunch	$94,640
.1475 x 405 x 175	Breakfast	$10,455

Loss to Madison County Commodities:

.1375 x 3380 x 175	Lunch	$81,331

(b')Reduce reimbursement for reduced price lunches from 96¢ to 45¢;
Loss to Madison County: $29,096

TOTAL LOSS TO MADISON COUNTY: $293,894

(2) The total loss to Madison County of approximately $293,894 equates to an increase of 40¢ to the paying student for lunch.

- (a) A 15¢ increase for lunch in the 1980-81 school year resulted in a 2% reduction in participation.
- (b) With a 40¢ increase to the paying student as a result of loss of federal funds, plus 10% inflation costs, plus a decrease from state funding of $400 per employee, plus a 7% pay increase, we estimate that the number of paid lunches would decrease by 50%. The price for paid lunches would have to increase from 65¢ to $1.20 minimum.
- (c) The reduction in participation would result in personnel dismissed - 18 FTE and 4 part-time.

2. Local Options for Alternative Funding
   - a. Additional cuts are proposed in the Alabama state budget which serve to compound the problem resulting from anticipated loss of federal revenues.
   - b. As previously stated, cost of paid meals must increase from 65¢ to a minimum of $1.20 per plate to compensate for loss of federal funds. A further increase in price of meals to obtain local funds would be counter-productive.

3. Impact of Federal Mandates

If federal commodities and Section 4 funds are to be drastically cut, then some of the mandated items of the program need to be out also.

a. Meal pattern requirements. It is recognized that with the reduction of meal pattern requirements, the nutritional goal for school lunches of providing 1/3 of the Recommended Dietary Allowances (RDA) would not be met.

b. Reporting. It is recognized that adequate reporting is necessary as a management tool, but serves to increase costs.

4. Program Accomplishments
   a. Breakfast programs have been added in all 16 Madison County Schools. Twenty percent of the students participate in the program. For five years Madison County was able to hold the price for the paying student to 25¢ until 1980-81.
   b. Lunch programs in the 16 Madison County Schools have about 70% student participation. For five years Madison County was able to hold the price for the paying student to 50¢ for elementary students and 55¢ for high school students.

B. Vocational Program

1. Specific Impact of Proposed Reductions
   1980-81 Budget: $145,250 20% Decrease: $29,050
   This decrease would result in one of the following:
   a. FTE of two teacher units; OR
   b. Reduce all personnel to nine month positions; OR
   c. Eliminate the Adult Basic Education program completely; OR
   d. Eliminate vocational handicapped/disadvantaged program.

2. Local Options for Alternative Funding
   Few, if any, local options are available due to the following circumstances:
   a. Cuts in the state budget are also proposed.
   b. Increased fees to students are the only option.

3. Impact of Federal Mandates
   The requirement that 15% of vocational funds must be spent on handicapped/disadvantaged in excess of regular costs is limiting. In addition, the federal mandate through Section 504 that vocational training be open to handicapped has resulted in expenditures for special equipment and materials, and facilities adaptations for which no federal funds were available.

4. Program Accomplishments
   In 1969 the Madison County Schools did not offer skill training in vocational programs. There were approximately 1000 students enrolled in agribusiness and home economics programs. Through

federal Appalachian grants, the school system received $1,400,000.00 in construction and equipment monies to build an area vocational center to implement technical skill programs.

In 1970 four hundred and forty-six students were enrolled in skill programs. In 1981 there are eight hundred fifty students enrolled in skill programs and eleven hundred twenty enrolled in agri-business and home economics. Sixty-five percent of the students enrolled in skill programs since 1970 have been placed in jobs in which they received vocational training. The drop-out rate for those enrolled in vocational training programs is less than seven percent. The area vocational center has increased from its initial enrollment by ninety percent in ten years.

Without the federal Appalachian grants, funds would not have been available to expand the vocational program in Madison County. Therefore, approximately 850 students are receiving skill training in the vocational program as a result of federal funds being spent in Madison County. Approximately 250 students are graduated annually with a saleable skill and are entering the work force at above minimum wages, therefore, they are paying higher taxes to state and federal governments.

C. Title I

1. Specific Impact of Proposed Reductions
   1981 Budget: $986,839 20% Decrease: $197,367
   This decrease would result in one of the following:
   a. Loss of 12½ teacher units, OR
   b. Loss of all Title I teacher aides (24 FTE) plus three teacher units plus $50,000 budgeted to upgrade facilities.

2. Local Options for Alternative Funding
   Since Title I guidelines have always required a supplemental program, any effort to transfer local funds would, by necessity, erode regular programs.

3. Impact of Federal Mandates
   a. The "comparability" requirement is discussed in the "Introduction and Overview" section.
   b. To meet the identified special educational needs of students in the Title I program, students must be scheduled in the Title I program for a small portion of the school day.

Title I services must also supplement, and not supplant, regular classroom activities. In some instances, Title I guidelines should be more flexible to better meet the needs of these students. Some pupils need a longer period of time with the special teacher working with a small group or individual pupils over an extended period of time.

c. Students who are scheduled for Title I reading or math during science or social studies have difficulty "keeping up" in these subjects in the regular class. It would benefit these students if the special teacher could aid them in these content areas which they are missing in the regular class.

4. Program Accomplishments
   a. It is evident through standardized test scores and informal diagnostic test data that those pupils who receive Title I services make significant growth in the program area where these services are provided. (See Appendix B.)
   b. The Title I program has provided supplementary materials for special needs students that would not be available from any other source.
   c. The Title I program serves high school students at the ninth and tenth grade levels. This program serves as a linkage to strengthen the program for underachieving students as the transition is made from middle grades to high school.
   d. Through the Title I program, professional growth experiences are provided to aid teachers in becoming more skilled in working with students.

D. P. L. 94-142/Title VI-B

1. Specific Impact of Proposed Reductions
1980-81 Budget: $230,806 20% Decrease: $46,161
The VI-B funds are intended for "excess cost" purposes - the additional expense involved in educating exceptional children. The loss of this amount would be equal to one of the following:
   a. 2½ teacher units, OR
   b. 9 paraprofessionals (bus aides, teacher aides), OR
   c. Service by contract with another system or agency for 16 children, OR
   d. Contracted services for physical and occupational therapy, medical evaluation and psychiatric evaluation and all funds for material and equipment. (This loss will be increased by inflation.)

NOTE: This appropriation was based on approximately $190 per child for each exceptional student actually served. Funds are based on the previous year's child count, so no money is actually received until a child has been enrolled in special education for at least six months.

2. Local Options for Alternative Funding

In the area of special education, few, if any, state or local options for increased funding are available. Factors such as those listed below further complicate options available.

a. Special education has not yet achieved full service, so demands are increasing. For example, while total school enrollment has decreased, special education enrollment is in a period of rapid growth.
b. Decrease of funds to serve handicapped in other areas (vocational education, Title I, non-school agencies serving handicapped) increases demand on special education resources.

3. Impact of Federal Mandates

Free appropriate public education (FAPE) to handicapped children is mandated by federal and state law. Funds have never been appropriated to the extent permitted by law, so that a cutback is not a reduction from full funding, but a decrease from an already reduced level.

In addition, federal regulations have mandated service beyond the original interpretations of the law, such as:

a. Renovation of existing facilities to meet federal accessibility standards (barrier-free environment required by Section 504 of the Vocational Act).
b. Personnel - qualified teachers and other personnel not previously employed by school systems (e.e., social workers).
c. Transportation - special buses/equipment required since free transportation is mandated.
d. Related services (medical, therapy, adaptive P.E.) are required by law.
e. Twelve-month programs, medical services and evaluations, and payment for residential programs.

4. Program Accomplishments

Federal and state laws mandating FAPE have brought to public schools a population not previously served. Severely handicapped children in all areas of exceptionality were served only by state and private institutions other than public schools (or were kept at home receiving no service) prior to enactment of these laws. Ten years ago the Madison County School System had 12 special classes serving approximately

150 mentally retarded students. Today, 65 special education units serve 1200 students in all exceptionality areas. In addition, 10 certified personnel positions provide related services such as evaluation, social service and occupational/physical therapy.

E. ESAA (Emergency School Assistance Act)

1. Impact of Proposed Reductions
1981 Budget: $179,116 20% Decrease $35,823
This decrease would result in a loss of 2½ teacher units.

2. Local Options for Alternative Funding
No local options exist for alternative funding without reducing regular programs.

3. Impact of Federal Mandates
ESAA funds must be expended to assist with alleviation of problems related to desegregation of schools. The majority of students served by the program must be minority race.

4. Program Accomplishments
Types of service provided by the ESAA program include:
a. Improvement of academics in language arts, math, and reading in grades 1-8.
b. Improvement of self-esteem and the reduction of negative and disruptive behavior through human relations specialists in the ESAA program.
c. Working with pupils in a counseling role.
d. Working with parents of disruptive and emotionally disturbed problem students in order to help improve their child's performance in school.

F. Title IV-B

1. Specific Impact of Proposed Reductions
1981 Budget: $37,373 20% Decrease: $7,474
This reduction would result in a loss to local schools of funds to purchase books, materials and equipment.

2. Local Options for Alternative Funding
No options are available without impairment of other programs.

3. Impact of Federal Mandates
Little has been required except budget and reporting process.

4. Program Accomplishments
   a. This program has been of value in meeting accreditation standards.
   b. The initiation of a comprehensive testing program for this system was funded through this program.

G. Title IV-C

1. Impact of Proposed Reductions
   1981 Budget: $32,874 20% Decrease: $6,574
   This decrease would result in a loss of a half-time teaching position OR a decrease in number of days for in-service training for regular teachers.

2. Local Options for Alternative Funding
   No local alternatives are available except at the expense of other programs.

3. Impact of Federal Mandates
   Since this is a locally authored competitive grant, the objectives were written to meet local system needs, so there is less concern with federally imposed requirements.

4. Program Accomplishments
   Title IV-C Project CARE (Composition and Reading Experience). This project is designed to improve the language arts skills (reading and composition) of students in grades 9-12 performing three or more years below grade level. To improve student performance, this project does the following:
   a. Provides concentrated inservice training to assist English and social studies teachers in employing special methods of teaching language skills.
   b. Identifies and develops instructional strategies and materials designed to achieve and go beyond competencies and standards identified by the State Department of Education in the minimum competency program.

   At the conclusion of the project, it is anticipated that a four to five year program of language arts instruction emphasizing composition and keyed to and going beyond the mastery of the 6th and 9th grade competencies in reading and writing skills will be developed.

H. Adult Basic Education

1. Impact of Proposed Reductions
   1981 Budget: $19,000   20% Decrease: $3,800
   This would result in a loss of ½ teacher unit.

2. Local Options for Alternative Funding
   No local options are available unless other programs are decreased.

3. Impact of Federal Mandates
   Federal mandates have been minimal except for reporting and budget process.

4. Program Accomplishments
   Educational levels of the adult community have been raised.

APPENDIX A

MADISON COUNTY SCHOOL SYSTEM

DEMOGRAPHIC DATA

Madison County is located in the northeast quadrant of the state of Alabama in the heart of the Tennessee Valley. The population of 175,000 is quite diverse. Redstone Arsenal and MSFC, land and water transportation, industry, farming and the availability of natural resources have made most types of job and career opportunities accessible to young people in this area.

The Madison County School System, which surrounds the city of Huntsville, covers a radius of 806 square miles. Seventeen schools, including one vocational technical center, serves a population of 10,000 students in grades K-12. Madison County was the first rural school system in Alabama to achieve full accreditation with the Southern Association of Schools and Colleges.

APPENDIX B

MADISON COUNTY SCHOOLS
MEAN STANDARD GRADE EQUIVALENT SCORE
FOR GRADES 1 - 8

READING TOTAL

	(MAY) 1977	(APRIL) 1978	(APRIL) 1979	(APRIL) 1980	1981	1982
				1.6		
			1.7	2.5		
		1.6	2.6	3.6		
1ST GRADE	1.6	2.4	3.5	4.6		
2ND GRADE	2.4	3.3	4.5	5.6		
3RD GRADE	2.9	4.3	5.6	6.7		
4TH GRADE	3.6	5.0	6.4	7.5		
5TH GRADE	4.8	6.3	7.5	8.6		
6TH GRADE	5.8	7.1	8.5	9.3		
7TH GRADE	7.0	8.2	9.2	10.6		
8TH GRADE	7.9		10.0			
9TH GRADE		10.0	11.0			
10TH GRADE						
11TH GRADE						
12TH GRADE						

APPENDIX B

MADISON COUNTY SCHOOLS
MEAN STANDARD GRADE EQUIVALENT SCORE
FOR GRADES 1 - 8

LANGUAGE TOTAL

	(May) 1977	(April) 1978	(April) 1979	(April) 1980	1981	1982
				1.6		
			1.6	2.8		
		1.7	2.9	3.9		
1st Grade	1.7	2.8	3.8	5.0		
2nd Grade	2.6	3.6	4.6	6.0		
3rd Grade	3.2	4.5	5.9	6.8		
4th Grade	4.3	5.0	6.4	7.4		
5th Grade	5.1	6.3	7.8	8.6		
6th Grade	5.5	7.1	8.7	9.6		
7th Grade	6.6	8.3	9.6	11.3		
8th Grade	7.9		10.2			
9th Grade		10.3	11.8			
10th Grade						
11th Grade						
12th Grade						

APPENDIX B

MADISON COUNTY SCHOOLS
MEAN STANDARD GRADE EQUIVALENT SCORE
FOR GRADES 1 - 8

MATHEMATICS TOTAL

	(MAY) 1977	(APRIL) 1978	(APRIL) 1979	(APRIL) 1980	1981	1982
				1.8		
			1.8	3.2		
		1.8	3.2	4.0		
1ST GRADE	1.6	3.0	4.0	5.1		
2ND GRADE	2.4	3.6	5.0	6.0		
3RD GRADE	3.6	4.7	5.9	7.3		
4TH GRADE	4.0	5.4	6.7	7.9		
5TH GRADE	5.3	6.4	7.7	8.8		
6TH GRADE	6.0	7.4	8.5	9.0		
7TH GRADE	7.5	8.1	8.9	10.0		
8TH GRADE	8.0		9.1			
9TH GRADE		9.7	10.8			
10TH GRADE						
11TH GRADE						
12TH GRADE						

STATEMENT OF DR. GENE WATSON, SUPERINTENDENT, MADISON COUNTY, HUNTSVILLE, ALA.

Dr. **Watson**. Thank you very much, sir. I am very pleased to be here. It is my first opportunity to testify before a congressional committee.

And I would like to echo the sentiments that you expressed. We have been working very hard with our Congressman and we have got some work to do, as you may realize, on some that are up there at this time. Two or three of us were in Washington a few days ago and we did the very thing that you suggested. We did see our Congressmen, although we had a real hard time with one of them. But some of us were a little successful there.

I am very heartened also by the fact that, knowing your counsel Jack Jennings, I do not know whether he remembers or not, but he spent about 3 hours with me one afternoon visiting my school system.

Chairman **Perkins**. He is a great man in anybody's book.

Mr. **Watson**. So I knew if he was working with something like this, that we were going to at least have a sympathetic ear.

I took a little bit different approach with my presentation to you, and I asked my staff to take a look at our total system and the impact of the proposed reductions in Federal funding to our system. And the detailed information which you have will go into a lot of the different programs that we have. The remarks will be somewhat general, as I have attempted to look at the impact of the proposed reductions on one school system in Madison County, which is in Huntsville, Huntsville is in Madison County, Ala.

Traditionally, appropriation of Federal funding has been combined with Federal mandates governing expenditures of funds, with little or no local option. Compounding this problem are two further complications:

Mandates may be imposed with no funding, as in the case of section 504 of the Rehabilitation Act of 1973, which requires vast architectural reforms to create a barrier-free environment for the handicapped, but provided no financial support.

Second, mandates may be imposed with budget allowances which are never appropriated, as in the case of Public Law 94-142, which allowed funding on an escalating scale to 40 percent of costs by 1982 (30 percent in 1981), but has only approved appropriations of 12 percent to date. Although full funding has not occurred, full compliance with the law is required.

Additional problems include: Local administrative requirements, reporting, monitoring for compliance, and detailed program and budget applications impose tremendous burdens on local education agencies. Contrary to popular belief, these costs are not covered by Federal funds as a general rule, but are usually absorbed locally as in-kind services.

The duplication in Federal agencies. Reports, monitoring and regulations are frequently imposed by two or more Federal agencies on single LEA programs, for example, the Education Department, the Office of Special Education, and the Office of Civil Rights separately review programs related to services of the handicapped.

Comparability. Title I regulations require that expenditures supplement rather than supplant State and local funds. This requires that total funds spent per pupil in a title I school must exceed the per pupil expenditure in a nontitle I school at least to the amount of title I moneys budgeted to that school.

This requirement has always dictated an involved accounting process and has become increasingly complex as a result of specific service mandates from other Federal programs.

The maintenance of effort requirement, stipulation that continuation of programs must be provided regardless of changes in financial resources serves in effect to earmark local and State funds.

Details of the impact on the Madison County school system in terms of dollar loss and loss of full-time equivalent teacher units are presented in chart 1. We use full-time teacher equivalents for purposes of comparison.

The impact of all these programs are detailed in this report, and I will not go into this. But I would like to call your attention to the fact that in Madison County school system, which consists of 10,000 students, the projected impact of the loss of Federal funds, what has been proposed in the seven programs that we participate in at the present time, including vocational education, would result in a loss to our school system of $326,000. This is in programs other than food service.

We have a detailed impact statement on the food service program, and it goes into many of the things that you've heard all day today, and I am not going to do that. But it suffice it to say that is our projection.

Chairman Perkins. Without objection, all the prepared statements will be inserted in the record.

Dr. Watson. We have been one of the few school systems in Alabama that has been able to keep its lunch admission or charge at 55 cents. For 5 years we went without an increase in cost. This past year, with the changes, we increased by 15 cents.

And it is our projections, and we are very close on this, that if these things come through we are going to go to $1.20 to $1.25. And we will probably still be very low compared to other school systems in Alabama, which we are proud of. We feel like we have a good operation going.

Federal mandates are frequently attacked as unnecessary barriers to our operations.

Chairman Perkins. Considering the value of commodities, you have estimated correctly, in my judgment.

Dr. Watson. We have studied it for several days and we are very close.

Chairman Perkins. Yes.

Dr. Watson. What this is going to do to us, and just echoing what has been said: The paying student, they are going down. They are going down tremendously. There is no question, we lost 2 to 3 percent just by going up for the first time in 5 years.

Chairman Perkins. Because of that cutback we had to make last November——

Dr. Watson. Yes, sir.

Chairman Perkins. Or December?

Dr. Watson. That is correct.

Chairman Perkins. Yes.

Dr. **Watson**. And in fact, we meet with my board of education next week, and my report to our board will be that if these cuts go through, in a year or 2 years we will see some kind of a la carte or vending machine operation, where formerly we had lunch rooms. And I do not know, about 40 to 50 percent of our students, I do not know how they will handle that at all. So it is a tremendous problem.

Vocational education is something that is covered in my report, that I hope that somebody will begin to take a look at. Ten years ago in Madison County we served 500 or 600 students in any kind of skilled training program. Today, this year, we serve over 800 students in specific skill training programs, and another 1,100 in skill-related programs in agribusiness, home economics, et cetera.

Sixty-five to seventy-five percent of the students in that 10-year period that got specific skill training in our schools were employed in our community and all over the State, and are still employed as a result of that.

We are very much concerned as to what this is going to do to us in our vocational education programs.

In summary, then, the impact of these cuts to our total school system is going to be over a half million dollars in specific cuts to the programs which I enumerate in this report. I must point out with as much emphasis as I can that these reductions will be felt in direct services to students, services which cannot be assumed from other local sources.

Some proponents of the budget cuts are suggesting that the elimination of the Federal mandates will justify the proposed reductions. Many superintendents may support such an idea. However, most school systems such as our school system will not be able to make any kind of administrative cuts to absorb it. They will have to be passed on to the students directly.

In reference to the mandates, it is agreed, and I would be the first to come back before this committee and any other committee and point out the massive amount of paperwork that has been created here in the past few years. But that can be reduced and condensed, and we can get a handle on that.

Chairman **Perkins**. And I think we are all for that, too.

Dr. **Watson**. Yes, sir. Yes, sir.

Chairman **Perkins**. We just could not get them to listen in the Department. They just wanted to keep writing laws themselves.

Dr. **Watson**. Yes, sir.

Chairman **Perkins**. That is what they amounted to.

Dr. **Watson**. They have done it. I have got in the other half of my briefcase some of them, if you want to see what I am talking about at the local education agency level. I have got them there.

The specific line item approach, sometimes even in legislation, I hope we can get away from that. We have had Public Law 94-142, which has mandated school systems to do something about handicapped. For example, vocational education. If we have got to change in there, let us take the 15 percent requirement out of the vocational education and give us the leeway to use that money in such a way that we can serve the students.

Finally, I think we recognize, and you have heard this before today, that economic inflation must be brought under control. The efforts that are being made to balance the budget are commendable.

The urgent request that I have as a local superintendent, speaking on behalf of 10,000 students, and I speak where I can that people will listen, that before we take all of these things out and make the drastic cuts, give us a chance to talk about the effectiveness of these programs, as you have heard today, and the impact that they have had and what is going to happen if they are lost.

Thank you very much.

Chairman PERKINS. Excellent statement.

Next witness is Dr. Phil Whiteman, assistant superintendent for Federal affairs, Indiana Department of Education. Go ahead.

[No response.]

Chairman PERKINS. He is not here? Indiana Department of Education here?

VOICE. Dr. Whiteman is not here.

Chairman PERKINS. Madam?

VOICE. Dr. Whiteman is not here.

Chairman PERKINS. Does he have a substitute?

VOICE. No.

Chairman PERKINS. Will he be here?

VOICE. I do not know. He thought he was going to be in Ashland yesterday.

Chairman PERKINS. He was not in Ashland yesterday. We thought he would be here today. Maybe it was just a mixup.

Well, all right. Our next witness is Mr. William Rotert, Director, Division of Administrative Services, Hamilton County Schools, Ohio.

Mr. ROTERT. Yes, sir, present.

Chairman PERKINS. Go ahead.

STATEMENT OF WILLIAM ROTERT, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, HAMILTON COUNTY SCHOOLS, OHIO

Mr. ROTERT. Mr. Chairman and members of the Committee:

My name is William Rotert. I am director of administrative services for the Hamilton, Ohio, County Public School System. I am privileged to appear before you today as chairman of the Federal Legislative Committee of the Buckeye Association of School Administrators.

Our association very much appreciates this opportunity to present testimony in opposition to the wholesale budget cuts being directed toward the essential function of education in this country. My comments will be general in nature, but reflect a broad range of fundamental concerns. Among these concerns are:

The timing. Latest information would indicate that cuts in the magnitude of 25 percent are headed toward federally funded education accounts in the 1982 fiscal year. Implementation of these cuts is 7 months away for the Federal government. But it should be observed that planning in Ohio by law is mandated far in advance of that time.

Personnel contracts must be awarded during the month of April, and approved budgets for the 1982 calendar must be in place by July. Consequently, Ohio superintendents are faced with the dilemma of staffing and predicting funds for federally funded programs far in advance of the Federal timetable.

It is obvious that more time is necessary to reasonably accommodate to a shift in Federal support. At least a year's notice should be provided in order to accomplish an orderly transition.

As an example, 94 percent of title I money in Ohio goes toward salary and fringes. A 25 percent reduction in title I funds would result in approximately 1,000 teacher dismissals across the State of Ohio. Bear in mind that these dismissals would have to occur after contracts had been let in April. Contractual responsibility would then revert to the local boards.

In addition, a fact of Ohio law would prevent local school districts from recovering the cost of furloughed teacher salaries because of unemployment compensation rules. In Ohio, the entire cost of unemployment compensation is a board expense, and consequently only 25 to 35 percent of severed salaries would be recouped.

Similar disruptions would occur in the broad range of federally funded programs across the State of Ohio.

Categorical programing. The Buckeye Association opposes complete abolishment of categorical programs and consolidation. Although the flexibility and simplicity of block grant funding appears appealing at first glance, it cannot stand close scrutiny.

Categorical programs were designed to meet the needs of target populations and address the problems of a class. That philosophy remains sound. The Federal Government should not lose sight of its goal to provide aid and comfort to those with special needs.

Also, Federal funding should supplement, not supplant local spending. It is critical that program criteria be maintained and that accountability for serving a class be a condition of support.

Related to this concept is another fundamental concern: Role of the State. Federal money should flow through the State department of education. The vast majority of local districts within the State of Ohio would far prefer to deal with an established State structure, rather than the Federal Department of Education. Most school districts are not capable and do not wish to cope with the Federal bureaucracy.

A question might be asked as to how the U.S. Department of Education would propose to deal with some 15,000 individual school districts, given the tenuous nature of its own future.

To reiterate a foregoing point: Federal money should not be simple governmental largess, but should be conditional upon meeting human needs, with concomitant accountability. To summarize, the Buckeye Association could support some combination of categorical and block funding, but we totally reject the theory of eliminating categorical programing. Qualifying standards should be maintained to determine participation in a program, and language should be constructed that insures fulfillment of the purpose of the program.

CHILD NUTRITION

You have heard testimony from experts better prepared than I to deal with the question of child nutrition. Let me simply add that most school lunch programs in the State of Ohio are self-sustaining accounts. Elimination of the Federal subsidy would necessitate support from general funds, which are not available unless converted from other sources.

The only other alternative is higher price lunches, which are already too expensive for far too many families and would have the inevitable result of placing hungry children in the classroom.

A CABINET-LEVEL DEPARTMENT OF EDUCATION

The Buckeye Association of school administrators believes that education deserves representation at the highest level of government. It should, however, be representative of all educational constituencies and should not be the advocate of any particular group. It should maintain its stability commensurate with the importance of education in this Nation, but should resist the temptation to overregulate.

The Buckeye Association applauds Secretary Bell's recent cancellation of the bilingual regulations. In this connection, it is appropriate to comment that our association does support reduction in paperwork and simplification of the regulatory process. We do feel that it is possible to achieve accountability without a cumbersome regulatory process that confuses rather than leads.

TUITION TAX CREDITS

The Buckeye Association opposes the concept of tuition tax credits in view of the inordinate drain such a plan would impose on the U.S. Treasury. We have heard estimates ranging between $4 and $7 billion annually to fund such a program. Certainly, if the Federal budget cannot support current programing, it is inconsistent to see dollars of that magnitude flowing out of the Federal Treasury.

Mr. Chairman, thank you for this opportunity to present testimony and participate in the process of review. If you or any members of the committee have any questions, I will do my best to respond.

Chairman **Perkins**. Thank you very much. We will have some questions a little later in the afternoon.

Our next witness is Mr. Donald Shebuski, superintendent of Ingham Intermediate Unit, Michigan.

STATEMENT OF DONALD SHEBUSKI, SUPERINTENDENT, INGHAM INTERMEDIATE UNIT, MICHIGAN

Mr. **Shebuski**. Thank you, Congressman Perkins, members of the panel. Congressman Kildee, I bring you the warmest regards from Michigan.

I am Donald Shebuski, superintendent of the Ingham Intermediate School District, with offices in Mason, Mich., which is just north of the city of Lansing. Ingham Intermediate School District is a regional educational service agency that serves 12 constituent local districts ranging in size and nature from Lansing, Michigan's capital city, with an enrollment of 27,000 pupils, to rural districts with less than 1,000.

Our total population is just less than 60,000 students. We provide special education services directly and through our constituent districts to 4,173 handicapped students. We operate a capital area career center that provides vocational education in 23 skill areas to

840 pupils a day in three shifts. Plus we educate about 1,200 to 1,400, depending upon enrollments in each term, adults annually in the evening program.

We run all of the regional media operations and data centers that serve schools in the three-county area. We also offer programs which run the gamut from fine arts, professional staff development, nutrition education, and many other management services.

We are concerned about President Reagan's proposed changes in educational funding in several ways. Our first position is that we cannot afford a 25-percent cut in Federal funding at this time. We in Michigan particularly cannot afford a 25 percent rescission in current year funding.

I would plead with you that if you cannot be dissuaded from making this kind of cut, that you would make it quickly, because these moneys were budgeted in good faith, they have all been committed, in fact at this point largely spent since our fiscal year is more than two-thirds over. We have no State or local funds to replace or repay those lost Federal dollars.

I am sure that Dr. Runkel was very articulate last night in expressing to you some of the plague that we have faced in Michigan with the economy. But let me just quickly summarize.

Thirteen point five percent unemployment; 547,000 people out of work. This State presently is facing a $600 million deficit in its current fiscal year, and very little hope for any improvement in the next year. Major reductions in school aid, particularly in the areas of special and vocational education.

The prospect of further cuts due to property tax reform, of which the Governor's proposal is the most moderate of those being proposed, could cost the schools and the local governments, with this proposal, $250 million in revenue. And I am convinced that the Governor's proposal is viewed by the proponents of strong tax reform as not nearly enough.

The impact of these proposed reductions in Federal funding, on top of our already depleted budget, is catastrophic. Let me give you one example. Due to a 30 percent reduction in State funding of special education, we are reducing special ed expenditures by $1,566,000 for 1981–82 in our county. This requires laying off 80 staff members, with consequent reductions in services to the handicapped children.

Second, my staff's analysis shows that the proposed Federal cuts plus the transfer of control of the bulk of these funds to local educational agencies under the block grant concept could reduce special education programs by as much as another $2 million and eliminate up to 73 additional staff positions if the funds were diverted to other programs.

Again, our emphasis is not on the loss of staff jobs, but on the services to handicapped children which will go undelivered if these people are not in their place doing their jobs.

Third, the state of the State's economy, the State, intermediate or local dollars are not there to replace the loss of Federal funds. Michigan currently gets 66 cents of every dollar it sends to Washington. That is less than any other State. For years we have contributed more than our share. Now we are the ones who need the help.

Second, the concept of block grants seems attractive. The opportunities to address State and local priorities, to concentrate and to streamline programs, and the freedom from stifling Federal guidelines all appear to be good. Particularly in a time of declining revenues, the dropping of requirements to match funds or maintain efforts is appealing.

It is kind of like the morning they woke up the Pope and said they had good news and bad news. And the good news was that the Lord was here and he just called from here on Earth. And the Pope said, with that kind of news, how could there be any bad news. He said, well, that is the problem, your excellency; he is calling from Salt Lake City.

That is the way the block grants sound to us.

The grants consolidation aspects of the President's proposal is suspect to us. However, is the real intention to allow greater State and local freedom in determining priorities, or is it a cover for reducing funding to programs serving America's most critical and valuable resource, its young people?

Is the block grant idea really well intended and well conceived? We believe that the least that should be done is to phase such programs in over a period of time.

Let us not lose sight, either, of the impact of such proposals on many ongoing programs. Much painful progress in developing quality programs for the handicapped and the disadvantaged may be lost as the pressures of local politics, especially in Michigan, force the diversion of funding for these programs into other areas within the broad confines of the block grant idea.

In vocational education, we respectfully disagree with the concept that Federal funding is not needed. If the President is really serious about stimulating the economy, at least in Michigan and generally across the industrial Northeastern and Great Lakes States, a revitalized economy depends on a broadened economic base. It means diversifying our industries, and we need extensive retraining of presently unemployed workers and new job skills, and we need funding for this.

We also challenge the belief that vocational training is not focused on the disadvantaged and the handicapped. In our case this is simply not true. Our career center program involves many mainstreamed special education students in specific job training programs, and at this point we coordinate CETA programs for more than 500 youngsters for the 12 districts that we serve.

Finally, the premise that additional State or local funding for vocational education can be readily found during Michigan's current economic hardship is simply ludicrous. A related concern is the place of regional education service agencies, such as our intermediate district, in the block grant distribution. In the Michigan model we are responsible for the intermediate plan in special education. We do operate an intermediate skill center, and the intermediate districts are an integral part of the educational delivery system in the State of Michigan.

Our role is focused on assuring equality of equal educational opportunity through the development of those regional plans for serving the handicapped and the disadvantaged young people and adults of our county.

To eliminate our link in this passthrough of Federal moneys and distribute these funds directly could seriously threaten these programs and waste the investment in time, effort and money that went into their development. We urge that you consider the consequences of the administration's proposal very carefully in this regard.

I'd like to thank you for the opportunity to appear here today, and we would be more than happy to respond to any questions or submit further information at your request. Thank you.

Mr. **Hawkins**. Dr. Roger Clough, superintendent, Mason City Community Schools, Iowa. Dr. Clough, we welcome you.

STATEMENT OF ROGER CLOUGH, SUPERINTENDENT, MASON CITY COMMUNITY SCHOOLS, IOWA

Dr. **Clough**. Mr. Chairman, members of this House Education and Labor Subcommittee on Elementary, Secondary and Vocational Education:

I am Roger Clough, superintendent of the Mason City Community Schools. Mason City is a community of 30,000 in population. We educate approximately 5,100 students. We have lost almost 3,000 students in the last 10 years.

In Iowa, where funding is tied to student enrollment, it has caused drastic cutbacks in our program. I might add that our district has bit the bullet, so to speak, by closing 5 of its 11 neighborhood elementary schools since 1976, and has faced the other necessary cutbacks.

I might add that Mason City is probably better known nationally as River City in Meredith Wilson's Music Man program.

Fiscal restraints really are not new to most of Iowa schools. And I might add that when we heard of the President's proposed cutbacks of 20 percent in his budget message it concerned us.

But I would like to react even more to the March 10 news release concerning the U.S. Department of Education's revised fiscal 1982 budget, which reportedly will reduce Federal appropriations for elementary and secondary schools by 25 percent nationwide.

I might add that now at this particular time, in Iowa, we have already had to—March 15, today, is the last day for establishing budgets for fiscal 1982. It is the last day for notifying employees that would be terminated under the termination laws. So we have passed many important datelines.

I might add that many of the cutbacks that we have made in our district we have been able to make because we have had long-range planning. We have known in advance of the fiscal restraints. We have involved the community in the planning. The best surprise is no surprise.

And now, approximately 105 days before the beginning of fiscal 1982, we find out from the U.S. Department of Education that they have new surprises. And as I have mentioned, we find that Iowa schools, according to the U.S. Department of Education, in quoting the news release from Secretary Bell, will lose $24.1 million in elementary and secondary education aid, and another $25.8 million in child nutrition funds, which total not 25 but 50 percent of the State of Iowa's Federal education appropriations.

Chairman **Perkins**. Let me ask you if you will go to Washington and talk to Neal Smith about these problems.

Dr. **Clough**. Yes. And Cooper Evans is our Representative as well. I understand that Senator Grassley made the statement that, since Iowa is low, I think ranked 42d in receiving Federal funds, that it would not hurt Iowa as much. But as a percentage basis, I think, as you will see from our report.

Chairman **Perkins**. You are going to have to educate some people.

Dr. **Clough**. Yes, I know that.

In Mason City our title I program is currently serving less than 50 percent of the eligible students. If these new cutbacks are approved, we will be serving from 10 to 15 percent of those eligible and needing services, a reduction from the 325 to 350 people served in our district to less than 100.

Our loss in child nutrition Federal assistance, and I will not spend much time here because you have heard a lot of testimony today. But basically, when coupled with the projected loss in participation, will force our noon lunch cost for students to double. And I might add, we have operated an efficient program that has offered elementary students meals at 50 cents each and secondary at 60 cents each. But we will see these prices double.

With our anticipated reduction in participation, we feel that our school lunch program will undoubtedly become a lunch program that serves free and reduced price lunches only. We anticipate within a short period of time that other students will opt for less nutritious, less expensive meals, rather than the balanced type A meal.

In reality, we can only afford free and reduced price meals for needy students because of the excellent participation by middle and upper income families, which holds down prices because of the efficiency of our operation.

Public Law 94-142 cutbacks will have less impact in Iowa possibly than in many States, because Iowa school districts had comprehensive special education programs prior to the implementation of Public Law 94-142. However, in Iowa the pre-school handicapped education programs are financed almost completely out of Public Law 94-142 funds.

The area education agencies, which actually direct the instructional program for pre-school students in our areas, and it serves 28 school districts and 27,000 students, and a 50 percent cutback in these funds would result in a loss of classroom an itinerant teacher services to over 50 severe and moderately handicapped preschoolers in our area.

I also would like to mention that with these large cutbacks, that if they come about Congress needs to take a look at allowing unemployment benefits to be financed out of them, because we will be talking in our area alone of $50,000 to $100,000 of unemployment benefits that will need to be paid to people terminated due to this cutback in funding. And this will have to come from local funds, which will further reduce already limited dollars.

Our district would also stand to lose an additional $20,000 in vocational and title IV projects.

But I would like to, I know you have heard a lot about programs of compensatory education and food programs serving the needy. I would like to speak to you just a few minutes about the use of these Federal dollars for innovative and enrichment programs for all students, not just the needy.

Our district has received approximately $2 million in Federal funds since 1973. Of this amount $1.6 million has been a very valuable Title I compensatory education allotment. But $400,000 has come in some other programs that are going to have a lot of impact in the future.

Going back to Title III, in 1973 when our district received one of the early computer-assisted instruction grants, it provided some initial computer services to 28 school districts in 9 counties in north Iowa. This Federal investment today has now resulted in an area computer center which has an impact on approximately 20,000 students in all instructional areas, not just compensatory programs.

Title IV-B, the instructional programs. This money has been used to upgrade our collection of instructional materials. The projects developed to justify these entitlement funds have provided our district an incentive to improve the quality of material selection for all materials and to increase the utilization of materials, rather than just purchase them and put them on the shelf.

Title IV-C is probably one of, I think, the most important projects in the State of Iowa. It is called Project Measure. It is an evaluation and an improvement of instruction project utilizing the computer. This project, built upon the initial availability of computer resources, the concept of evaluation and improvement of instruction made practical through the use of the computer, has also had a significant impact on 20 school districts in northern Iowa in attempting to not only identify and get breakdowns on individual students for individual prescribed instruction, but it has given us a big picture of the instructional program in our district and allowed us to utilize this, and we have been able to utilize this in improving instruction in general.

An important question to raise about these programs is whether or not these contributions to the quality education of the Mason City schools would have occurred without the presence of Federal funding. The answer is probably not. And I come from an area that is not a poor rural area. It is the heartland of northern Iowa, with some of the richest farm ground in the country. But I am saying to you that without this influx of Federal funds many of these programs would not have been a reality.

The Des Moines school district in our capital city, which enrolls 33,000 pupils, stands to lose nearly $1 million in each, title I and the child nutrition program, and another $100,000 in vocational funds, and $200,000 in other programs such as Follow-Through, Teacher Corps, title IV-B and so forth.

The Waterloo, Iowa, schools that enroll 14,000 students stand to lose in excess of $1 million, $400,000 in child nutrition, another $380,000 in title I, and also $250,000 in a Follow-Through program that has been nationally validated.

We have many small districts in Iowa. The Clear Lake, Iowa, school, a rural community enrolling 1500 students, would stand to lose $50,000 in child nutrition funds, $25,000 in title I funds, and the district would also stand to lose an additional $2,500 to $3,000 in vocational aid.

In summary, we acknowledge that some cuts in appropriations may be inevitable. However, if cutbacks are necessary, do not destroy in 90 days programs which have served our students so well for the last 10 to 20 years and have stood the test of effectiveness over time, programs where on the State average 95 percent of the appropriations result in direct services to pupils.

If cutbacks in Federal funds to education are necessary, give us at least a year's lead time. You know, make them effective for fiscal 1983 at the earliest.

We support block grants to LEA's. But it is unthinkable to perceive of the U.S. Department of Education working directly with 17,000 school districts. Therefore, it only seems good management to direct the money through the States, preferably the departments of public instruction, with a mandate that the State shall not impose additional rules and regulations, only distribute the funds to LEAs as directed.

I might add that if the intent is to reduce Federal regulations, please also reduce the Federal data collection, which in itself, with over 160 different reports, 10,000 items, is costly in dollars as well as lost time, and cannot provide meaningful information in a timely manner to anyone.

Chairman PERKINS. And very few people ever glance at it.

Dr. CLOUGH. And I might add that I had a call yesterday morning from the Office for Civil Rights. And when he was asking me the questions, I said to him, "What are you going to do with them." He said, "I'm going to put them into the computer and we are going to send them over to the Office for Civil Rights."

I said, "And what are they going to do with them?" And he laughed.

But consider allowing LEA's, and area education agencies, to budget, as I mentioned, for unemployment expenses out of the Federal appropriation if there is going to be cutbacks like this, severe cutbacks in programs.

And in closing, it does not appear to be fiscally responsible to make drastic cuts in proven programs without measuring the human impact on the future of our youth. Public education is still the heart and soul of a free and democratic society. Without a strong public education system, the American dream, which burns less bright for the disadvantaged even now, will not survive.

The cost of these cuts in human potential and achievement are immeasurable in dollars. We trust you will keep elementary and secondary education as a primary priority.

Thank you.

Chairman PERKINS. Mr. Ronald Dickinson. Go ahead.

[The prepared statement of Ronald Dickinson follows:]

PREPARED STATEMENT OF RONALD DICKINSON, CHAIRPERSON, IOWA EDUCATIONAL SERVICES AGENCIES

My name is Ronald Dickinson. I am Chief Administrator of Area Education Agency 7 and Chairperson of the Iowa Area Education Agencies. The State of Iowa is organized into fifteen educational service agencies, each with responsibility for providing specialized educational services to the local school districts within the geographical boundaries of the region. Iowa's educational service agencies are controlled by fifteen Board's of Directors selected by the Board's of Directors of the local school districts within each area. The State Board of Public Instruction maintains close connections with Iowa's area education agencies (AEA's) through approval authorities in the areas of service and finance. The AEA's provide services as determined by the local school districts and state mandate.

Area Education Agency 7, of which I am administrator, is located in northeast Iowa (Waterloo-Cedar Falls) and covers a seven county area, including 26 public and 19 non-public schools, serving around 45,000 pupils. The budget for AEA 7 during the 1980–81 school year is around $15,000,000. Approximately $13,000,000 of the budget is used to provide special education services to the handicapped pupils in the area, with an additional $1,000,000 used to provide staff development, in-service education, educational planning, research/evaluation and educational data processing, and the remaining $1,000,000 is used in a division of media services which includes a materials lending library, professional library, curriculum laboratory and production services.

The current condition of education in Iowa is extremely good. Iowans are proud of the fact that by most measures of educational performance, our public school system ranks among the very best in the nation. The people of Iowa have traditionally held to the view that education should be a top priority of government. Education in Iowa has been additionally blessed with the strength of resource which come from the rich earth and the strong and caring people that inhabit the land.

While the current condition of education in Iowa is good and the long range view appears bright, there are some dark clouds approaching over the horizon. The general downturn of the economy has resulted in a depression of state revenue which translates into a required reduction in resources for our schools. Attached to the statement is a summary of the projected budget reductions for the 1981–82 school year as they impact the formerly approved $17,000,000 budget of Area Education Agency 7. The data shows the impact of an 11 percent reduction in state funding and an estimated 20 percent to 100 percent loss in federal funds.

The purpose of this statement is directed to the specific issue of federal funding to public education particularly as it relates to the scope, purpose and delivery of federal funds.

Our points of emphasis follow:

1. Although the percentage of federal dollars in the public education budget of Iowa is relatively small, the impact is great. Federal aid to public education has often spawned synergistic gains to the educational delivery model functioning within the schools.

2. An abrupt decrease in the amount of federal funds allocated for public education would wreak havoc with Iowa schools. Federal aid is a vital resource in the public school budget and retreat from traditional funding levels would create a vacuum that would be difficult to fill. Any departure from traditional funding levels, must by necessity, be preceded by appropriate lead-time so that adequate planning could occur. Most Iowa school districts have already settled employee organization contracts for the 1981–82 school year, and individual personnel contracts are controlled by a March 15th date certain. If the federal government were to rescind funds affecting the expected 1981–82 resources of the schools of Iowa, the schools would be left "holding the bag", since it is simply too late to alter contractual obligations incurred for the coming year.

3. If a block grant concept to funding is adopted, all block grants should be made to the states rather than directly to local school districts, as a matter of efficiency, coordination and historic responsibility. The delivery system of educational services varies substantially throughout the nation and, consequently, it would be efficient for the federal government to distribute block funding through the coordination of state control to insure the utilization of existing delivery structures. At a time when our resources must stretch to accommodate our goals, it is vital that we coordinate our thrust at the federal and state level. The historic responsibility of the state to provide pubic educational services requires that the state provide the conduit through which resources flow.

4. The federal government should severely curtail paperwork associated with federal aid to public education. Aside from the few necessary reporting formats that might be required from the state level of governance, it seems wasteful for the federal government to continue the existing practice of demanding disproportionate amounts of paperwork for relatively small amounts of funds.

I would now like to submit to you information that would show that any changes in the administration and funding of Public Law 94–142, the Education for All Handicapped Children Act, will be to the detriment of thousands of handicapped children in the State of Iowa and will not be cost effective. I also would like to urge your support to maintain Public Law 94–142 as it is and with full funding. The next best alternative for handicapped children in Iowa would be if Public Law 94-142 received full funding through a state block grant.

SUPPORT FOR THE ABOVE POSITION

Full Funding is cost effective:

1. Example, Billy, seventh of eight children in the family. All older children institutionalized or in classes for the moderately to severely mentally handicapped. This child's IQ was 33 at age 3. After one year of programming was 50+, after two years was in the 70's. After three years, he was in first grade, regular class, reading near grade level with some slight support services. This child's cost, if institutionalized, could be $15,000 per year or higher. But, child is in the position to become a contributing member of society, possibly even a tax payer. The dollars saved by helping Billy will almost pay for a parent educator or preschool teacher that can serve 15 to 20 children per year.
2. Our screening program reaches 70 percent of all three years old children, 2500 to 3000 per year. Each year, 8 percent have a hearing problem (otitis media) resulting from ear infections. Uncared for, the results may be permanent hearing loss and/or parents confused or mistreating children who are "naughty". Not naughty, they just can't hear. Cost effective because preventing hearing losses result in lower costs for hearing aids, special classes, medical bills.
3. Mary lives in a single parent home and has behavior, speech, language problems that require attention by someone. More and more frequently there is no extended family to provide support. Mother or father is left alone. Service provided by parent educators help the mother learn how to remediate problems and not abuse child in frustration. Parent educator may also help parent enroll child in day care so parent can work productively. Parent may become a tax payer, not a tax user.
4. Service is provided by teams of professionals. Service is provided to each district based on need. No one district has to search out, hire, train, supervise more than is needed to get necessary service.
5. For additional information see the recent Carnegie Foundation Report, or
6. HRD-79-40 Report to Congress on Early Childhood and Parent Development Program.

Any careful study of the programs for the handicapped should reveal similar cost effective information.

Each state has developed plans that seem to best meet the needs of that state. In Iowa, a model program has been developed in which certain services are provided by the state, others by the area education agency (AEA), and some by the local schools (LEA).

Iowa, as you know, has many urban areas and many small towns with small LEA's (local education agencies). Handicapped children constitute only a percentage of each school district. A small school district with only ten to twenty children in kindergarten may have a preschool age handicapped child one year and none the next. For this district to set up a program one year and disband it the next is not cost effective. Further, one year the child may have a visual handicap, the next year another child might have a speech problem, and the third year the child might have a mental problem. Different kinds of special help is needed in each case.

Similar intermediate plans are used in a number of states such as New York, Wisconsin, Colorado, Illinois. The names may differ—BOCES, Cooperating Districts, but the intent is the same, to develop a base population that is sufficient to support a professional staff that can provide service efficiently and effectively.

The federal government should meld educational aid to the existing efficient delivery models currently operating throughout the nation. Provisions should be made so that each state could allow the money to flow through the existing system without establishing new, potentially disruptive situations. The funds should flow through the state education agency according to state laws, plans, and priorities.

Thank you, Mr. Chairman. We appreciate the opportunity to express our views.

BUDGET ADJUSTMENTS FOR 1981 - 82

SPECIAL EDUCATION INSTRUCTION

$ 352,993	(H.F. 414)	$ 443,334	(Probable)
50,000	(Salary Adj.)		
30,341	(20% 94-142)		
121,363	(80% 94-142)	121,363	(Possible)
685,931	(L.D. Reduction)	685,931	(Adjustment)
$1,240,628		$1,240,628	

BUDGET ADJUSTMENTS FOR 1981 - 82

SPECIAL EDUCATION SUPPORT

$ 352,058 (H.F. 414)	$ 585,093 (Probable)
81,692 (Salary Adj.)	
151,343 (20% 94-142)	
605,373 (80% 94-142)	605,373 (Possible)
$1,190,466	$1,190,466

BUDGET ADJUSTMENTS FOR 1981 - 82

EDUCATIONAL SERVICES

$ 73,612 (H.F. 414)	$86,497 (Probable)
12,885 (Salary Adj.)	
$ 86,497	$86,497

MEDIA SERVICES

$ 27,461 (H.F. 414)	$27,461 (Probable)

SUPPORT SERVICES

PROBABLE REDUCTION---585,093 (STATE AND 20% FEDERAL)

- $ 5,750	REDUCTION IN SUPPLIES AND MATERIALS
- 4,046	REDUCTION IN CAPITAL OUTLAY
- 3,000	SPECIAL PROJECT (VOCATIONAL)
- 7,000	VAN REPLACEMENT FUND
- 4,000	STATE/NATIONAL INSERVICE EXPENSES
- 561,297	34.3 CERTIFIED AND NON-CERTIFIED STAFF REDUCTIONS

2

SUPPORT SERVICES

561,297---34.3 STAFF REDUCTIONS

Discipline	'80-81 Approval	Reduction	% Reduction	'81-82 Staff
Administrators	7.0	-0.5	7.1%	6.5
Admin. Secretaries	7.6	-0.6	7.8%	7.0
Consultants	20.3	-2.0	9.8%	18.3
Psychology	28.0	-3.0	10.7%	25.0
Typists	11.6	-1.4	12.0%	10.2
Speech Clinicians	31.5	-4.0	12.6%	27.5
Educ. Strategists	22.0	-3.0	13.6%	19.0
Home/Hospital	3.0	-0.5	16.6%	2.5
Home Interventionists	3.0	-0.5	16.6%	2.5
Hearing Clinicians	5.0	-1.0	20.0%	4.0
Social Workers	16.5	-3.5	21.2%	13.0
OT/PT	7.0	-2.5	35.7%	4.5
Nurse	2.0	-1.0	50.0%	1.0
Audiometrists	6.0	-3.0	50.0%	3.0
Spec. Ed. Media	1.0	-0.8	80.0%	0.2
Communication Aides	7.0	-7.0	100.0%	0.0

3

SUPPORT SERVICES

POSSIBLE REDUCTION—605,373 (80% FEDERAL)

$ 69,140	REDUCTION OF STAFF TRAVEL, SUPPLIES, EQUIPMENT, INSERVICE, CHILD FIND, DIAGNOSTIC SERVICES, TRANSPORTATION, ETC.
536,233	REDUCTION OF 24.4 FTE CERTIFIED AND NON-CERTIFIED STAFF

		(PREVIOUS REDUCTION @ 20%)
2.2	SOCIAL WORKER	1.0
5.2	SPEECH CLINICIAN	1.0
2.5	PSYCHOLOGISTS	0.7
3.0	OT/PT	
1.0	HEARING CLINICIAN	1.0
0.0	NURSE	1.0
0.4	VISION TEACHER	
0.4	HEARING TEACHER	
1.0	PRESCHOOL CONSULTANT	0.2
3.0	HOME INTERVENTIONIST	
2.5	EDUCATIONAL STRATEGIST	
0.0	MEDIA SPECIALIST	0.2
1.0	ADMIN. SECRETARY	
1.5	TYPIST	
0.0	COMMUNICATION AIDE	1.0
0.2	PARENT ADVOCATE	
24.4	TOTAL	(6.1)

INSTRUCTIONAL SERVICES

PROBABLE REDUCTION—$433,334 (STATE AND 20% FEDERAL)

- $ 3,150	REDUCTION IN SUPPLIES AND MATERIALS
- 1,710	REDUCTION IN CAPITAL OUTLAY
- 500	REDUCTION IN TRAVEL AND INSERVICE
- 286	REDUCTION IN OTHER SERVICES
- 67,540	REDUCTION OF THREE SPECIAL CLASS TEACHERS FOR THE MENTALLY HANDICAPPED AND ONE WORK-STUDY TEACHER
- 360,148	REDUCTION OF 72 CLASSROOM AIDES, 10 OF WHICH ARE CURRENT VACANCIES

2

INSTRUCTIONAL SERVICES

POSSIBLE REDUCTION—121,363 (80% FEDERAL)

51,660	REDUCTION OF 2.3 PRESCHOOL TEACHERS/PRINCIPAL
14,005	REDUCTION OF 3.0 NON-CERTIFIED STAFF (AIDES, VAN DRIVERS)
55,698	REDUCTION OF STAFF TRAVEL, SUPPLIES, EQUIPMENT, INSERVICE, TUITION FOR NON-WEIGHTED, STUDENT TRANSPORTATION, RENT, UTILITIES, ETC.

3

INSTRUCTIONAL SERVICES

"LD ADJUSTMENT"---BASED UPON 25% BUDGET DIFFERENCE

$685,931	REDUCED BUDGET
17,000	AVERAGE SALARY FOR RESOURCE ROOM TEACHERS
40	NUMBER OF STAFF REDUCTIONS FROM LEARNING DISABILITIES AND MULTIDISABILITIES RESOURCE ROOM TEACHERS

EDUCATIONAL SERVICES PROPOSED BUDGET CUTS 1981 - 82

Proposal #1:

General line item budget cuts and staff reduction. The amount the budget needs to be reduced is $86,497 including an 8.34% salary increase.

Item	Reduction	Cumulative Amount
General Budget Cuts		
1. Out of State Travel	$1,300	$1,300
2. In State Travel	1,500	2,800
3. In Area Travel	5,000	7,800
4. Supplies	1,500	9,300
5. Printing	1,300	10,600
6. In-Service Budget Decrease	3,200	13,800
7. A.S.D.C. (General Cut)	12,000	25,800
Sub Total	$25,800	$25,800

Item	Reduction	Cumulative Amount
Staff Reduction		
8. Consultant Position (1 FTE)	$29,760	$55,560
9. Consultant Position (1 FTE)	5,000	60,560
10. Typist Position (.5 FTE)	4,000	4,000
11. Consultant Position (.5 FTE)	13,000	77,560
12. Consultant Position (.5 FTE)	14,000	91,560
Total 5 Staff (3.5 FTE)	$91,560	$91,560

This option totals $91,560 which is $5,063 more than the needed $86,497. The additional $5,063 in this proposal would be used for contracting consultants in areas where there are none.

MEDIA SERVICES

Projected Revenue Will Be Cut $27,461

Items to be cut:

Materials Money	$ 7,233
Travel Accounts	1,300
Evaluator's Fee	400
Contracted Service-Data Processing	1,000
Production-Capital Outlay	3,528
1 F.T.E. Clerical	9,000
Delivery-Capital Outlay	5,000
	$27,461

STATEMENT OF RONALD DICKINSON, ADMINISTRATOR, AREA EDUCATION AGENCY NO. 7, IOWA

Mr. DICKINSON. Chairman Perkins, members of the Committee: I am Ron Dickinson, administrator of AEA 7. Area education agencies in Iowa are regional service agencies. The entire State of Iowa is divided into 15 regions and the educational service agencies provide specialized services to the local school districts in the area, particularly in the area of special education, but also in the areas of educational services, data processing, educational planning, research and development, and in terms of providing regional media centers and curriculum laboratories, et cetera.

Area Education Agency 7, of which I am administrator, provides services to 45,000 schoolchildren, representing 26 public schools and 19 nonpublic schools in our area.

The condition of education in Iowa, frankly, at this time is very good. Iowa is very proud of the schools that we have established over the years, and by most measures of national excellence Iowa schools would rank very high.

We also feel that our future is very bright. We have strong basic resources in the State naturally. We have a strong and caring people who are willing to contribute to education. And we think that the long-range view of education in Iowa is strong.

We do have some major concerns, however, with respect to our immediate future. I am not going to go into the details, but attached to my statement is information that reflects some of the cuts that we are looking at in educational spending in Iowa as a result of the general downturn of the economy and the fact that State revenues are so dramatically depressed. We have faced some rather severe cuts at the State level in education.

Chairman PERKINS. How do you analyze the 25-percent cutback in vocational education, assuming it went through? What effect would that have on you?

Mr. DICKINSON. Vocational education cuts would be very severe. I am not strongly involved in our regional service agency in vocational education cuts. But the public schools in Iowa have already had 4.6 percent reductions this year in their funding, in their general funding. And that, of course, translates into drops in vocational programing also.

Chairman PERKINS. How about your handicapped program? How would it be affected?

Mr. DICKINSON. Our handicapped program is going to be severely curtailed. And relating the handicapped programing to our vocational programing, we had intentions in this next year to improve our programing for handicapped children in the area of vocational education through developing some cooperative programing with our area vocational school. And quite frankly, those plans are on the back burner now. I think we probably will be unable to move forward on that.

In Iowa we have very strong special education programs. Consequently, almost all the Public Law 94-142 Federal funding that we have received for handicapped children have been used to provide programs for preschool children, and we are projecting reductions in that programing of 20 to 25 percent. And owing to the possibility of block grants and the fact that that could come as early as the middle of next year, that has caused some uncertainty with regard to that whole funding plan.

I myself presented termination notices to 30 people that worked in our preschool program even during this week, and faced answering questions to them as to what do they tell the parents of the preschool children, who now have seen the benefits of our program for their children and in fact have become dependent upon our program for providing services and now face this rather sudden reduction.

My response to them is that we have not at this point in time accepted the reductions and we are still working on it. But if it does go through, it is going to have a devastating impact on our program.

We would like to make a couple of points with respect to Federal funding. One is that Federal aid, although it is a small percentage of the educational dollar in the public school system in the Nation and in Iowa, has become a rather critical factor. We have become dependent on it, and the very notion that somehow it could dramatically be reduced at this point in time and not disrupt the total educational program or that it could be reduced at this point in time that the States are facing some rather severe financial difficulties without degrading the entire educational structure and the delivery system is really beyond belief. We are going to have some major impacts.

If there are any changes to be made, we need to have leadtime. As has been indicated by other superintendents today and by our local superintendent from Iowa, we have a March 15 date certain in terms of employment contracts with individuals. That in fact is tomorrow.

It is unthinkable that the Federal Government would reduce our funding as it might affect us during the next school year. We have no alternative with respect to those employment contracts. If we enter into them, we must pay out those funds. And in fact we would leave the local school districts holding the bag. There is just no other way around that.

We would be supportive of block grants and feel that this does require, as has been indicated by other speakers, some very careful consideration. We would be interested in looking at that concept. We do feel that if we do go to block grants, that we should have that money flow through the State education authorities.

That is the only way that you really can tap into the educational delivery structure as it currently exists in its multitude and varied forms throughout the Nation, and thereby insure that there are efficiencies in the delivery of the services.

As has been indicated by others, we of course would be quite interested in anything that could be done to reduce and curtail Federal paperwork. We really feel that if the Federal Government does move in the future to block grants, that if those block grants are distributed to State authorities and from there flow out into the local areas, that reporting should be able to occur between the States and the Federal Government using only a few formats that would provide adequate and sufficient data for Federal purposes.

That would dramatically reduce our efforts, because the amount of paperwork that is required for the percentage of the public education dollar that comes from Federal sources, of course, is quite disproportionate.

We are particularly concerned and interested in the area education agencies about services to preschool children in Iowa, because almost all the Federal funding for handicapped children going to the State of Iowa is going in the area of preschool. And that is because the State of Iowa is providing full services in all of the other areas of handicapped programing.

We hope that you would take a very careful look at this and, with your colleagues, recognizing that any reductions that occur in this area are going to have a very severe impact on the way that we can provide services to our handicapped children.

Thank you, Chairman Perkins. We appreciate the opportunity.

Chairman **PERKINS**. Thank you very much.

Our next witness is Mr. Arthur Turner, superintendent, Missouri. Go ahead, Arthur.

[The prepared statement of Arthur Turner follows:]

PREPARD STATEMENT OF ARTHUR H. TURNER, SUPERINTENDENT, CAPE GIRARDEAU PUBLIC SCHOOLS, CAPE GIRARDEAU, MO.

Dear subcommittee members, thank you for the opportunity to appear before your subcommittee. Your willingness to listen is appreciated. I am the superintendent of a K-12 school district with 4,350 pupils in Cape Girardeau, Missouri. We also operate an area vocational-technical school.

There are eight main points in this testimony. The vocational education and child nutrition reductions will be discussed in the context of these ideas.

The points are:

1. I believe that the budget balancing activity which is occurring is very good for the Country. You have access to much greater economic expertise than mine. However, it appears to me that the current attempts to reduce total federal spending and control are affecting the economic climate in the United States in a very positive way.

2. It seems reasonable that education should bear some fair proportion of the reductions. It is my understanding that education programs, which account for one percent of the federal budget, are slated to provide seven percent of the administration's cuts. That does seem excessive. And it does appear crucial that some of the built-in escalators in the federal expenditures (for instance, the automatic indexing of social security benefits) must be restrained.

3. Consolidation of federal grants is desirable. However, the combination of grant consolidation and retention of Federal mandates appears almost certain to force local school districts to spend all available money on the required activities. This means that instead of providing more flexibility, it may end up doing just the opposite.

4. Please be cautious about providing too many resources and too much leeway to state agencies. State regulations and directives can be just as rigid and counterproductive as federal rules even though state rules are more likely to be responsive to local needs and restrictions. In Missouri we are fortunate to have a State Superintendent who believes strongly in local involvement and responsibility. However, state agencies are more and more being pushed into the role of monitor or enforcer for federal initiatives. And sometimes these rules exceed federal law and regulations.

5. Funding cuts should be preceded, or at least accompanied, by drastic reductions in mandates, enforcement "fishing expeditions," and excessive regulations.

In schools we have already experienced the proliferation of federal requirements without accompanying monetary support. A recent example is the requirement to serve the handicapped with the combination of PL 94-142 and Section 504 of the Vocational Rehabilitation Act. The Federal Government has not fulfilled its obligation. It does not appear that it ever intends to. But the requirements remain upon the local school district. In the areas of equal opportunity for racial minorities, for females, for handicapped, etc., it is the local school district which is left with the requirements when other groups are off on some other mission.

In addition, under Title I, ESEA, several requirements need to revised or removed. For instance, the Parent Advisory Councils are a good idea. But they turn out to be conterproductive. To much time and money is needed for minimal results.

6. It must be recognized that fewer educational services will be performed.

7. Tuition tax credits for attendance at elementary and secondary schools should be opposed. At a time when the emphasis is on reducing the federal expediture in education, it is inconsistent to propose a large, new venture which would likely make a considerable reduction in federal revenue.

Tutition tax credits are a bad idea for elementary and secondary schools. The public schools in this Country have provided opportunities for people for generations. I believe the Country should "dance with the one that brought it" to its present condition of literacy and interest in learning. There is a high probability that such credits will make the task of the Public schools considerably more difficult by encouraging the more able students to go elsewhere. That is not in the best interests of the Country.

8. There should be a repeal of the rigid federal regulations and laws which require supplementing, but not supplanting, local effort. The application of this rule presently leads to some nonproductive contortions in local school districts. For instance, a district which would be willing to pay for a remedial reading program at a non-Title I school might place its whole Title I funding in jeopardy by starting the program, if remedial reading was a part of the district's Title I program. Or a district which, for a variety or reasons—space availability, staff utilization, type of position, salary differences, transportation ease, etc., assigned specialized teachers to a particular building might not meet the comparability guidelines and thus lose Title I resources to deserving children.

It would be desirable to base Title I programs on educational disadvantage rather than economic disadvantage within the school district after the money has been alloted to the district under the present formula.

CHILD NURTITION

As I review the cuts suggested under child nutrition, it appears to me that our district will have to raise some very serious questions about whether or not we can continue to provide school lunches.

We depend on both government subsidy and paying customers to make our school lunch program operate.

It appears that we would lose about 25 percent or our federal reimbursement under the proposed changes. This would probably mean that our regular lunch prices would almost double from 55¢ for elementary and 60¢ for secondary students to $1.00 and $1.10 respectively. Our local participation would likely drop by about 50 percent. There would probably be some pickup over time, but it is difficult to know how much. While we would try to hold lunch prices down as much as reasonably possible, our district is not in a position to assume much additional expense.

With less children to feed it would mean less cafeteria workers. Thus our payments for unemployment compensation would escalate sharply, at least for the first several months.

The expectation that school lunches will be provided is firmly implanted in our school district. I doubt that this would diminish. As a result, there would be considerable discussion, and perhaps some conflict, about the price increases and the reduced number of the cafeterias which likely would result.

But the most unfortunate circumstance is that a number of students may not have reasonable assess to nutritious meals. It is doubtful that we could continue to operate our cafeterias without the widespread participation we presently have (almost two-thirds of the students who are present in our school district in a day eat in the cafeteria).

I believe we could stand some reductions in school lunch reimbursement and still maintain a viable program. However, cuts of the magnitude that appear to be proposed might very well mean a very serious curtailment of the program. Whether it would mean the end of the program, for our school district, I can't really say. Obviously, we would do everything we could within reason to maintain it. But we are not in the position to put a large amount of our resources into a program which does not directly affect our main mission.

VOCATIONAL EDUCATION

If the suggested reductions are made, the vocational education opportunities in our school district will probably decline considerably. Presently we have 15 distinct vocational programs in our Area Vocational-Technical School. The students are from Cape Girardeau and surrounding school districts. The reduction of federal aid will mean that we must raise tuition costs. The other schools probably will send less students becasue of the increased costs. Some programs will likely be reduced or discontinued because of low enrollment.

While the proportion of federal vocational education aid has diminished, it often makes the difference in whether or not programs are offered or flourish. Presently money for our basic vocational education program comes from federal sources, 11½ percent ($72,301); state, 32 percent ($201,000); and local, 56½ percent ($637,000). In addition we have special projects supported by federal grants in Comprehensive Employment Training Act programs of about $120,000.

In the vocational area, requirements and rules have proliferated over the years. And the federal reimbursement has dropped. Currently there is an imbalance created by requiring that fixed percentages of money be spent on certain target populations such as handicapped or the economically disadvantaged. We are eager to serve both of these populations. But the rules restricting reimburesment to these groups make it difficult to offer comprehensive and balanced programs. We already serve handicapped and disadvantaged pupils by mainstreaming in regular programs. The categorical requirements should be removed. This would allow better use of the funds

A considerable amount of time and money is used up by monitoring functions and reports to governmental agencies such as the Office for Civil Rights and various manpower agencies.

SUMMARY

Thank you for your attention. I have tried to make eight main points:

1. I believe that the budget balancing activity which is occuring is very good for the Country.
2. It seems reasonable that education should bear some fair proportion of the reductions.
3. Consolidation of federal grants is disirable. But the mandates should be reduced.
4. Please be cautious about providing too many resources and too much leeway to state agencies.
5. Funding cuts should be preceded, or at least accompanied, by drastic reductions in mandates, enforcement "fishing expeditions," and excessive regulations.
6. It must be recognized that fewer educational services will be performed.
7. Tuition tax credits for attendance at elementary and secondary schools should be opposed.
8. There should be a repeal of the rigid federal regulations and laws which require supplementing, but not supplanting, local effort.

Child nutrition and vocational education are examples of federal educational participation which has become generally accepted and supported. While we can stand some reductions in these areas, those cuts now proposed appear likely to damage the programs beyond any acceptable limits.

STATEMENT OF ARTHUR TURNER, SUPERINTENDENT, CAPE GIRARDEAU PUBLIC SCHOOLS, MISSOURI

Mr. **Turner**. Thank you very much, sir. I appreciate the opportunity to appear here before your subcommittee or committee, and I am not sure how to address you in that regard. If I did it wrong, I am sorry.

Chairman **Perkins**. That is fine.

Mr. **Turner**. I appreciate the fact that you are willing to listen. I could not help but note, as Mr. Clough was talking about title IV-B, that our most recent title IV-B program included some videotapes on Mr. Friedman's economic program. And we may have to make some additions to that if these cuts do go through.

I am a superintendent in Cape Girardeau, Mo. That is another river city. We are 120 miles south of St. Louis. We have about 4,350 students in the cape, in the public schools.

I am also a member of the Federal Policy and Legislation Committee. But I do want to emphasize that that group is not responsible for my ideas.

I would like to make about eight points and then talk a little bit about vocational education and child nutrition reductions as they fit within those eight points.

Chairman **Perkins**. You go ahead.

Mr. **Turner**. First, I believe that the budget balancing activity which is occurring in the United States at the present time is a good idea. Now you have access to much greater economic expertise than mine. I just pick up a kind of a general feeling that there is some benefit coming from that.

It appears that some of the current attempts to reduce total Federal spending are affecting the economic climate positively. And again, I do not pretend to be any kind of an expert. That is simply a feeling that I have based on what I observe.

The second point, it seems reasonable that education ought to bear some fair proportion of these reductions. I was reading a report the other day which quoted Mr. Jennings, as a matter of fact: With 1 percent of the budget, why are we taking 7 percent of the cuts. So I felt very comfortable in quoting that figure, and then I came in here and saw him today. So I feel doubly comfortable in doing that.

That does seem to be excessive. I knew it had to be accurate if it was coming from him. That seems like it is too much. There are obviously a whole bunch of other areas that need to be looked at, which you would be much more experts in in looking at than I. But I do think that is a little bit more of a tap than we ought to have to bear as a segment of the country.

I do think that the consolidation of Federal grants is desirable, but there is a problem with it and I am sure you know about that already. It seems to me that with this combination of grant consolidation and what I think is going to be the retention of Federal mandates, that we are going to have our local flexibility virtually erased. First of all our flexibility is going to be erased, and then we are going to be sued. Maybe not in that order. But we are going to kind of be left with all the requirements and very little resources to deal with those requirements.

So as far as flexibility, I don't think we are going to have very much left as a result of this process.

The fourth point I would like to make is to urge you to please be cautious about providing too many resources and too much leeway to State agencies. Not because I have anything against State agencies, but State regulations and directives can be just as rigid and just as counterproductive as Federal regulations and Federal paperwork. And I say that coming out of a context of a State superintendent who is very interested and very responsive to local people. We don't have any problem with our State superintendent. I am not making that point.

But we do have a problem with the bureaucracy that gets developed at the State level the same as it does at the Federal level. And I think that more and more the State bureaucracy is going to be pushed into the role of being a monitor or an enforcer, and I think that is an unfortunate turn of events. So I am not sure just exactly how to suggest that to you, but I urge that as a general caution in your thinking.

The fifth point I would like to make is that funding cuts just must be preceded or at least accompanied—I think it is probably too late to precede, but at least accompanied by some drastic reductions in mandates, enforcement fishing expeditions. We encounter those all the time. Send us all the data you have about anything, and then we will look over it and if we find some place where you are out of compliance, then we will come back and make you explain that again. And then of course excessive regulations. You have heard about that.

I quote in the testimony here, in the written record a little bit about how that is applied from Public Law 94-142 with a combination of 504, but you know how that ends up with our regulations and how we have those requirements, and you know that the funding has not followed those requirements, so we are kind of stuck with them.

I would suggest to you too that under title I in a separate matter, the parent advisory councils give us some problems. They are a good idea, but they flat haven't worked. We spend a lot of time and a lot of effort and a lot of money trying to get our parent advisory councils to work, and they just aren't going to—in our experience they are not working and they are not worth the time and the effort, and we say that coming out of a context of being very much in favor of talking with parents as much as we can.

I think it has to be recognized by everybody that as this process goes on, there are going to be less educational services performed. Now that is kind of a dumb statement or kind of an obvious statement to make, but that is a fact, and I think we need to recognize that.

We have already had some testimony, or you have already had some testimony about tuition tax credits. I want to echo the reservations about that. It seems that at a time when we are talking about reductions, it is not very consistent to talk about an additional drain on the Federal treasury through that medium. Also it is just a bad idea for schools. It is going to leave schools in some communities and maybe even several communities, it is going to leave schools with the people who have the most needs, the heaviest needs, the most difficult educational situation, which we don't object to but we think we have to have a balanced situation or our kids are not served well.

I think the country ought to dance with the one that brought it. The public schools, as you well know, and based on the support that you provided, you obviously believe that very deeply, that one of the elements, one of the important elements in the success of our country has been the success of our public schools, and I believe that the tuition tax credits will weaken public schools in a very negative way, and for that reason I think they ought to be opposed.

The eighth point I would like to make is that there should be a repeal of the rigid Federal regulations and laws which require supplementing but not supplanting local effort. At this point I think we have gotten past the point where initially it was desirable to have that regulation. I don't think we need it any more. We have advocacy groups that all of us deal with or that are in place that are going to be sure that those programs are not shortchanged in a major way. So I don't think we have that need for that at the present time.

It also leads to a lot of very nonproductive contortions at the local level. When we start looking at comparability requirements and having to write those in, we end up making some very noneducational decisions about allocation of staff, location of programs, and so on. And we obviously cannot afford to lose a quarter of a million dollars in our district under title I.

Therefore, we are going to make some decisions that we might not otherwise make or we are going to do something different than what would be best in our district because of comparability requirements, and that we ought not to have to do.

Well, I also think it would be desirable to base title I programs on educational disadvantage, but that is another point.

I want to talk just a little bit about child nutrition. We are going to have some very serious questions to deal with in our district about child nutrition, if these reductions go through. You have heard good testimony about that already. I agree. I think our cost is going to about double for school lunches. I frankly don't know what that is going to do to the participation, but we think it will drop at least by 50 percent. Some of that may come back. We will just have to wait and see.

We are going to continue to try to hold lunch prices down. We are going to continue to try to keep that program alive. But frankly our district is not in the position to assume a lot of additional expense in order to do it.

Now what that is going to mean is that there is first of all going to be a lot of discussion. Second, there is going to be a lot of conflict. Third, kids that otherwise would have received good nutrition may not get it. And that is a whole set of very unpleasant alternatives as far as we are concerned.

There is a strong expectation in our school district that kids are going to have lunches provided for them, and we are going to be left with that expectation and maybe without the resources to fulfill it.

I think we could take some reductions in school nutrition, but I don't think we can take the ones of the magnitude that are being proposed.

Chairman **Perkins**. Let me thank all of you for being most helpful to us today, and your testimony was really very clear.

Do you have questions, Gus?

Mr. **Hawkins**. Let me ask one or two of the witnesses. I am a little confused. It was very excellent testimony. That is not the cause of my confusion. Let me ask about the handling of title I programs under the block grant process. There seem to be three or four different views expressed by about four different local education districts. If this is a test of what is going to happen among the 50 States, then I think it is going to result in a state of confusion and chaos.

Several of the witnesses indicated that the Federal funding should supplement and not supplant local spending. Several indicated just the opposite. And I just don't quite make out what it is.

Dr. Clough, you made a statement which I am not so sure I understood, that title I should be used for enrichment of all of the children. Did I understand that?

Dr. CLOUGH. No, I was talking about title III and title IV funds.

Mr. HAWKINS. Not title I?

Dr. CLOUGH. Title I funds are strictly——

Mr. HAWKINS. I see. So you didn't deviate, then. I just misunderstood.

Dr. Watson, you listed as a problem but you didn't indicate whether you opposed or supported the idea that title I money should be used to supplement the education program. Am I correct?

Dr. WATSON. I definitely think the program should be used to supplement, and not to replace many of the kinds of things we're doing.

Mr. HAWKINS. Your statement on page 3, you said on comparability, title I regulations require that expenditures supplement rather than supplant State and local funds, and then you went on to indicate how this was difficult to implement. I didn't know whether or not that meant that you were opposing it.

Dr. WATSON. On the comparability?

Mr. HAWKINS. Yes.

Dr. WATSON. I think there are some real problems with the comparability that doesn't have anything to do with supplanting. The comparability simply talks about the expenditure requirement in the various schools when some are title I schools and some are not title I schools. It creates some real havoc with the placement of your general fund programs to make sure that you are comparable according to those guidelines.

So I think the comparability presently causes us many problems that dictate how we are going to use our local moneys in order to meet the comparability requirements in title I.

Mr. HAWKINS. Well, I wasn't so sure whether or not you were just listing it as a problem or you were actually indicating the difficulties with it, actually expressing opposition. I think your clarification is more along the line that I felt it was designed to accomplish in the first instance.

Mr. Rotert, I think, came closest to what I viewed the title I program to be designed in the statement that you listed, under categorical programing on page 2, and this seemed to be the strongest statement in support of the title I program. But the point I am making is there seems to be a variety of opinions on at least one of the programs under the question of block grants, under the issue of block grants. If this is a true indication of what is going to happen, it just seems to me that we are headed for a lot of legal action when this program gets into operation by a lot of groups who are going to be suing for first one thing and then the other.

Mr. ROTERT. Sir, that is one of the problems we do see with the block grant concept in that it would set up a great deal or public contest on awarding of the funds at the local level and place special interest groups in competition with one another for allocation of the funds locally.

Now you might say that the buck has stopped with the Federal Government in making those decisions, and when I spoke to serving a class or serving a target population, this is one of the reasons we in Ohio do support the categorical approach, because we see that as a viable use of Federal moneys in addressing the needs of a class, and we would not like for these contests to erupt locally as to allocation of limited resources.

Mr. **Hawkins**. Well, I quite agree. I think that you have got to realize that the reason the Federal Government got into the action in the first instance was that there were these pressures, and as a result of that, these categories were set up. This has given many groups the experience and the opportunity and the benefit of having enjoyed these programs.

Now if they tend to be consolidated and returned to the local community, it just simply means that these advocacy groups are going to be entrenched and will be made stronger because these groups are going to be competing with each other. I for one know that in my area, I am going to suggest that they do organize and get strong because I feel that it is going to be necessary for these groups in order to get what some of us may feel and some of them may feel, is their just share of the money. It is going to be a political contest for who can exercise the greatest power. So I think that we have got to anticipate that situation and whether we like it or not, it seems to me that all of us have a problem with trying to design something which may bring some degree of order out of this great chaotic situation that I think all of us are going to face. You are going to face it at your level and we are going to face it at the Federal level.

Mr. Kildee.

Mr. **Kildee**. Just one comment on that. I learned from serving in the Michigan legislature that in affluent or good times, categoricals tend to be safer, but when things get really tough the temptation is to dump the categorical money into the general formula. That is what I worry about.

Mr. **Rotert**. That is a danger in our opinion, sir.

Mr. **Kildee**. The State of Michigan is suffering a great deal now and the general operations of the school demand a great deal of funding. Categorical funding tends to suffer under those circumstances.

Mr. **Rotert**. Yes, sir. The concern is if the identity of those funds should be lost and they should disappear into general accounts, they could disappear in the negotiating process and never serve a need.

Mr. **Shebuski**. Congressman Kildee, you may recall a serious Lansing strike a year ago where the judge actually ordered the use of surplus funds into the contracts, and we are convinced that if this happens, that will set a precedent for our State that just won't stop. As you recall, we are going through some major adjustments now, and have held some hearings on making some emergency changes to State laws, which is a prerogative of the State board, if approved by the Governor and the legislature. And just in special education alone we had 640 special education parents testify in 2 days to make sure that those budgets weren't touched.

Dr. **Clough**. I am Roger Clough from Mason City. I would just like to make the point that local boards and administrators make those kinds of decisions on 95 percent of the budget all the time, and I think personally that they can make them on that 5 percent and if we don't, you need new board members and new administrators that can. I am not saying the other can't happen, but on the other hand, what I see happening now is that you may have more funds available for something that really is not as high a need, and you are forced to spend them there and ignore a higher need because maybe in your state the funds didn't come this way.

I still believe that local people can make the decision. I think that they had better be able to take the heat. They had better be able to make the right decisions to serve where the needs are.

Chairman **Perkins**. Let me thank all of you. You have been most helpful to us. We could interrogate you here all afternoon but your testimony has been very clear. We all understand your views and you have been very helpful to the committee. Thank you for coming, and we will invite you back some day.

All right, Mr. Peter Carlin, superintendent of the Cleveland public schools. Is Mr. Carlin here or does he have a representative?

All right, we have Mr. Donald Steele, Jr., superintendent of the Toledo public schools. Is he here? Mr. Donald Steele? If he comes in, let us know about it.

Then we have Ms. Cordell Affeldt, president of Indiana State Teachers Association; Mr. George Kersey Jr., past president, Tennessee Education Association, Mr. Ron Marec, Ohio Federation of Teachers; Mr. Walter Mika, Jr., president of Virginia Education Association; Mr. Ron Boeth, Missouri NEA; and Mr. Melvin Smith, president of the Illinois Education Association.

All of this panel come around. We are glad to welcome you here today. And our first witness will be you, Ms. Affeldt. Go right ahead. Identify yourself for the record, Ms. Affeldt.

STATEMENT OF CORDELL AFFELDT, PRESIDENT, INDIANA STATE TEACHERS ASSOCIATION

Ms. **Affeldt**. I am Cordell Affeldt, a fifth grade teacher on leave from my classroom, serving as president of the Indiana State Teachers Association, which is an affiliate of the National Education Association.

I wish to thank you, Chairperson Perkins, and the other members of this committee, for providing this opportunity to make our concerns known regarding what we know of proposed budget cuts for educational programs, and I urge you to expand such localized hearings to sites around the Nation so that others may bring their thoughts to public attention also.

Unfortunately, the ISTA does not have today as much information from the Reagan administration as we would prefer. It appears that budget plans have been made, but precise cuts within the budget plan have not been shared in totality. Providing droplets of worsening information prolongs the misery, fears, and frustrations of those dependent on Federal funds, and I urge you to prevail upon the administration to share with us the truth, the whole truth, and nothing but the truth about its budget plan.

But with the assistance of information from the Indiana State Department of Public Instruction, we can alert you to the impact of the proposed budget cuts that we know about so far. Categorical

Federal funds to Indiana local schools total $65,935,696 for fiscal year 1981. A 25-percent cutback, meaning $16,483,924, is proposed.

Now that cutback translates directly into teacher layoffs. If one assumes that teachers at the bottom of the salary schedule and at the bottom of the seniority system are those to be first fired, the layoff for a proposed 25-percent reduction in Federal funds would mean a loss of 1,042 Indiana teacher jobs. With administration promises to increase cutbacks in coming years, future reductions may well accumulate to 35 and 50 percent reductions by the third year, as projected by the executive director of the Council of Chief State School Officers.

We know that $36 million in general school lunch program subsidies are proposed to be totally eliminated. The local schools will not be likely to absorb this cost. If the costs jump upward for the majority of the program participants, we can predict that they will no longer participate. If the only participants left are those who eat at reduced cost and free lunch recipients, we can predict that numerous schools will shut down school lunch programs totally.

Will a hungry and disruptive child achieve higher test scores? Will a malnourished and lethargic child achieve higher test scores? We believe that the answer is no.

Impact aid affects only 45 of Indiana's 304 school corporations, but under the administration formula only 1 of the 45 would retain its impact aid, meaning a result far more severe than a 25-percent cutback.

The cutoff for impact aid is 20-percent dependence on impact aid funds. In a time of 13-percent inflation, however, even a consistent funding level represents a 13-percent reduction for local school districts, which would suffer up to 19 percent additional cutbacks in lost impact aid.

In one small Indiana school system with a total budget of only a little over $2 million, the loss would be $159,652, and that roughly equals personnel costs for 10 percent of the faculty. These cutbacks have a particularly cruel impact in federally impacted school districts in Indiana which are poverty areas.

Is the administration suggesting that property taxes be raised to replace tax revenue lost to Federal installations? Property taxes are more regressive than Federal income taxes. In Indiana, property taxes were frozen in 1973, partly to reduce school funding dependence on unequal property tax wealth.

You might suggest that perhaps the State of Indiana could escalate its funding for impacted school districts and others largely dependent on categorical aid. Unfortunately, Indiana is the second most needy State in the Nation when we look at unemployment. We have the second highest unemployment rate in the Nation, due to the concentration of auto industry plants and durable goods manufacturers in our State. State tax collections are at a dangerously low ebb while unemployment benefits and other demands for subsistence services from the State are escalating dramatically. Add to this burden State and local governmental agencies which must depend on State funding to keep pace with inflation because local taxes are frozen.

What is to happen to the impact aid school district with a high concentration of bilingual, disadvantaged, special education, emergency school aid considerations? It appears that the block grant approach to school funding pits the truly needy against the truly needy for a 25-percent reduction in funds, plus the 100-percent reduction in lost impact aid. The President and the Congress are in Indiana flirting with the closure of entire systems.

Can schools make economies elsewhere? In Indiana, teachers are part of the unemployed. In the last 2 years, Indiana has lost 1,142 kindergarten through 12th grade teachers. Textbooks and supplies are outnumbered by students. Music, art, libraries, physical education, summer school remedial programs, adult education for dropouts wishing to become taxpayers instead of taxeaters, these and a growing list of other programs are being lost to Indiana students. Available economies have already been exercised.

Where is the money going? From 1974 to 1979, the Consumer Price Index rose 48 percent. Indiana teachers' salaries increased by 36 percent during that period. But pupil transportation costs rose 59 percent and plant operation and maintenance costs rose 80 percent. The cost of energy was escalating at twice the rate of teachers' salaries, and that was before decontrol.

Books, supplies, lost instructional personnel, and low salary increases are subsidizing the fuel bills. We are progressing to a point where it will be necessary to eliminate instruction in order to heat and light the school.

This message is not being lost on college students. Indiana colleges have notified the State superintendent of public instruction that they have insufficient graduates in 15 areas of certification to meet school district needs. The number of college students entering education continues to fall. There has been a 56-percent reduction in new teachers prepared in Indiana from 1971 to 1978. How many more economies will we make to bankrupt our future?

Some will say that reduction of Federal expenditures is necessary and all areas of the budget should experience equal cuts. It is like the proverbial lemmings marching to the sea. On first glance, the march has all the appearance of a pleasant swim, but two steps into the issue and people start drowning.

Our country's most important resource is its children. The most productive way to develop that resource is education. It costs eight times as much in lost earnings, lost taxes on earnings, crime and welfare costs for a high school dropout as it would have cost to finance a complete high school education for that same dropout.

The concept of free public education goes well beyond the threshold promise to provide all children with a basic education. It is not just another public service to be tolerated in good times and allowed to die of financial anemia in bad. It is the lifeblood of a system of government for which there is no parallel on the face of this Earth. It goes to the heart of preserving and promulgating the American way of life.

Thomas Jefferson said it in 1816. "If a nation expects to be ignorant and free in a state of civilization, it expects what never was and never will be." You gentlemen are among those who hold the power to turn us to ignorance or to freedom.

[Material submitted by Cordell Affeldt follows:]

**Indiana
State
Teachers
Association**

150 West Market Street
Indianapolis, Indiana
46204
317-634-1515

Cordell Affeldt, President
Dale E. Harris, Acting Executive Director

Fiscal 1981 Federal Funds to Indiana for Elementary-Secondary Education

	Grant Title	For Local Schools	For State Institutions
1)	ESEA I Compensatory Programs:		
	Low Income Children	$34,432,316	
	Migrant (estimated)	988,113	
	Handicapped in State Institutions		$ 3,385,135
	Delinquent Youth		707,663
	Neglected Youth		171,052
	Sub-Total	$35,420,429	$ 4,263,850
2)	Adult Basic Education	2,050,460	176,000
3)	School Library Resources	4,051,044	
4)	Exemplary and Innovative Education	3,374,906	
5)	Handicapped Children in Public Schools	20,456,619	
6)	Career Education	308,338	
7)	Adult Indochinese Refugee Education	273,900	
	TOTALS	$65,935,696	$ 4,439,850

Source: Indiana Department of Public Instruction.

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Dale E. Harris, Acting Executive Director

Impact of Proposed Budget Cuts On Indiana Public Education

Total Funds Available for Fiscal 1981	$65,935,696
Proposed rate of cutbacks	x .25
	16,483,924
.82% of school budgets are devoted to professional or paraprofessional salaries	x .82
	13,516,817
Indiana Average Beginning Teacher Salary	11,469
Plus Fringe Benefits (range from $500-$1,500)	1,500
	$ 12,969

$13,516,817 ÷ 12,969 = 1,042 Personnel Layoffs

An additional $2,373,685 would be lost for purchase of materials, supplies, library materials, and other local operating costs.

According to our State Department of Public Instruction, classes will be eliminated as well as other kinds of student services, i.e. counselling, health services, and other special high cost services for the handicapped.

Class sizes will increase and individualized instruction will decrease.

Teacher assignment and placement will be disrupted as tenure teachers under Federal projects are reassigned to displace younger, non-tenured teachers.

The United Teaching Profession in Indiana

Research Service
DALE E. HARRIS
Acting Executive Director
INDIANA STATE TEACHERS ASSOCIATION
150 WEST MARKET STREET INDIANAPOLIS INDIANA 46204
DON HOGAN
Director of Research

I. Number of college students entering education drops---the percentage change in number of total new teachers prepared by state, 1971-72 vs. 1978-79 = (-56.64%)

II. Placement Directors in Indiana institutions of higher education report that a shortage of teachers exists in the following areas:*

1. Mathematics
2. Chemistry
3. Earth Science
4. Physics
5. General Science
6. English/Language Arts
7. Trade, Vocational Tech.
8. Special Education
   - MR
   - LD
   - Deaf
   - Multiple Hand.
   - Visually Impaired
9. Industrial Arts
10. Distributive Ed.
11. Agriculture
12. Library Science
13. Reading
14. Speech Corrections
15. School Psychology

III. Intermediate Budget - Family of four (4) in 1979 (BLS) *

Metropolitan areas -$20,935
Non-Metropolitan areas -$18,651
Average Teacher Salary -$15,615 (1979/80)

IV. Beginning Salaries (Bachelor Degree) 1981 - Endicott Report

Accounting---------------$16,980
Business Alministration--$16,200
Chemistry----------------$19,536
Computer Science---------$20,364
Economics, Finance-------$16,884
Engineering-------$22,368
Liberal Arts------$15,444
Math, Statistics--$18,600
Sales, Marketing--$17,220
Other Fields------$20,028

Indiana Beginning Teacher Salary--------$11,469
(1980-81)

*ASCUS Research Report - 1980

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1/21/81

Chairman **Perkins**. Thank you very much for an excellent statement. The next witness is Mr. George Kersey Jr., past president, Tennessee Education Association.

STATEMENT OF GEORGE KERSEY, JR., PAST PRESIDENT, TENNESSEE EDUCATION ASSOCIATION

Mr. **Kersey**. Chairman Perkins and members of the panel, good afternoon. I am George Kersey, a director of the 40,000-member Tennessee Education Association and a special education principal in the public schools in Nashville. My remarks here today reflect the concerns of leaders of the Tennessee Education Association relative to proposed budget cuts in education recommended by President Reagan and his OMB staff.

In an effort to reflect accurately the impact of the proposed cuts on our schools, we have validated our perceptions through in-depth discussion with key administrators in local school systems and in the State department of education. We sincerely believe that our assessment of the situation is accurate. Today we reflect the concerns of public school teachers and administrators in Tennessee.

In the few minutes I have with you this afternoon it is impossible for me to detail the impact of the proposed cuts, amounting for our State to $50 million in each of Tennessee's 148 local school districts. To illustrate the devastation which the reductions will bring, we have selected one school district in our State for analysis here before you.

The schools of Metropolitan Nashville-Davidson County serve 70,000 young people in both an urban and suburban setting. Ours is a school system which has wrestled with the problems of school desegregation and accompanying white flight for the last decade. We have weathered the tough storms of the 1970's. Although not unscarred by these problems, the system is beginning to turn the corner, as exemplified by national achievement test scores, which pinpoint student progress at or above national norms in reading, mathematics, and science.

These positive indicators bode well for our school district. Our progress has been gradual and steady, despite the loss of 15,000 students in the 10-year period, mostly middle class or better and overwhelmingly white. The proposed budget cut package from Mr. Reagan, Mr. Stockman, and others threatens to make our optimism and our gains for the past decade only a memory.

Let me be specific. First, Federal title I moneys allow us to employ nearly 200 special reading teachers and mathematics teachers, who serve approximately 7,000 students with diagnosed difficulties in the basic school areas of reading and math. These important remedial programs help to explain improved achievement test scores in reading and mathematics by many of our students.

With a cry from the public for improved student performance, we are at a loss to understand the rational basis for Mr. Reagan's proposals. Our students are achieving more and the President wants to withdraw 25 percent of the funding for the program. We would respectfully ask, doesn't program success deserve continued Federal support?

Second, one of the President's proposals calls for an end to the Government supplement to the lunch and breakfast programs for paying students, and an end to the reduced price meal program altogether. For our school system this means that paying students will in all likelihood be asked to pay an additional 30 cents for each of their lunch meals.

Additionally, students and their families who previously qualified for reduced price lunches will face an even greater burden. For our system the net loss will be roughly $800,000.

Many parents, especially those in the middle income range, will mistakenly blame school systems for the price increases. We trust that President Reagan will be front and center in explaining why the costs have climbed significantly. We anticipate a reduction in the participation level in our school lunch program if Government supplements are discontinued. As you realize, school food services operate on very tight budgets. A reduction in participation will inevitably result in layoff of cafeteria personnel, thus aggravating unemployment problems.

In the mid 1970's the Congress asked schools to open wider our doors and to educate in the least restrictive environment the handicapped children of this Nation. This Federal mandate, never adequately funded by the Congress or by previous administrations, gave important civil rights to a neglected group of American children. In recent years the Federal commitment to funding Public Law 94-142 has decreased to a level lower than that projected when the bill was first enacted.

Our problem in meeting our educational obligations to handicapped children are compounded further by President Reagan's proposals. And so it is that Public Law 94-142 constitutes a third area of concern. Teachers, teacher aides, and costly transportation services for nearly 7,000 handicapped children in Nashville are purchased with these funds. We cannot afford a 25-percent reduction in this area, and we assert respectfully that our Federal Government should assist us in meeting the obligations it etched in law.

In the period since Public Law 94-142 was enacted, parents of handicapped children have been most assertive on behalf of their youngsters. These parents hold escalating expectations for their children, for our schools, and for teachers. These same parents are quick to emphasize that a lack of money is no excuse for our failure to provide their children with free and appropriate education.

America has always had a moral obligation to its handicapped citizens, especially its handicapped children, but today that moral obligation is a legal responsibility.

Under the Reagan proposals, impact aid would be eliminated for our school system. This aid is presently unrestricted and has been incorporated into the general revenue funds. Since this program is not forward-funded, its loss would be immediately felt.

Another major issue facing the schools in Metropolitan Nashville will be referenced now. The Federal district court is currently reviewing our school system's response to desegregation litigation. In hearings before the court last spring, we were told by Judge Thomas Wiseman to emphasize compensatory education in our planning and to give the utmost attention to the educational components related to desegregation.

The proposed Reagan cuts remove any chance we might have to utilize Federal funds to implement the directives of the court. Funds which allow us to purchase multicultural materials in keeping with that court's expressed interest are now being chopped by Mr. Reagan's ax.

In Nashville, we have benefited from funds for bilingual educational programs. As a university center, we attract many foreign students, and in one of our elementary schools alone, we have nearly 20 nationalities represented. These children need the support of teachers and aides who speak their native language in order to help them make a successful transition to English.

We realize that the Reagan plan is to consolidate categorical aid under two block grants. These proposals have a certain degree of surface appeal. Two points deserve mentioning as words of caution in this regard.

First, if we are not careful, block grants may be seen as Federal revenue-sharing, and will be used to replace local and State educational dollars, rather than to supplement those funds.

Second, what guarantees do we have with reference to the block grants being allocated to state education departments that the funds will be distributed equitably on a per pupil basis? It is not impossible, as we understand the no strings attached provisions, for a system to benefit disproportionately from a State's block grant at the expense of local school systems with greater numbers of students in a particular category.

In that same vein, block grants will result in a variety of programs being put in the same pot without specific guidelines for allocating the funds and being equitably distributed among the several areas. Fierce competition is certainly likely to develop, especially in light of the overall reductions in Federal funding.

In closing, allow me to make only a few other points. I would be remiss this afternoon if I failed to recognize the enormous difference the Federal Government has made in education over the last 20 years. Federal involvement has been a force for good. The Federal Government has certainly been able to do things educationally for children, especially disadvantaged children, that would never have been done if we had waited on local school boards and State boards of education.

We commend you for the efforts that you have made and for the care that you have demonstrated.

The proposed cuts suggested by Mr. Reagan are obviously of great concern to all American teachers. His proposals carry a subtle but sharp message. He is helping to wage a frontal attack on American public schooling under the guise of reduced Federal expenditures.

We are convinced that the dismantling of the American system of public education is a primary item on the new President's agenda. America will suffer mightily if his motives are realized. In one breath he advances the idea of reduced Government spending, calling upon the private sector to assume a greater role. In the next breath, he talks tuition tax credits, which would place a brand new billion dollar burden on the U.S. Treasury, and that burden is intimately linked with the private sector. Such logic is inconsistent.

Today national frustration with inflation is evident everywhere. However, we view with suspicion those proposals which advance the notion that the way to resolve the inflationary spiral is to cut key social and educational programs. Children who fail to master the basic skills, handicapped children not allowed to reach for their potential, and boys and girls denied adequate school lunches become long-term societal liabilities.

Government at all levels must maintain a thorough commitment to our public school system. To do less than that means that the less fortunate are relegated to inferior educational opportunity. Sadly, ladies and gentlemen of the panel, the Reagan proposals begin to do precisely that.

Chairman PERKINS. Thank you very much. We will withhold our interrogation for just a few minutes. Our next witness is Mr. Ron Marec, Ohio Federation of Teachers. We are interested to hear from Ohio. Go ahead.

[The prepared statement of Ronald Marec follows:]

PREPARED STATEMENT OF RONALD E. MAREC, PRESIDENT, OHIO FEDERATION OF TEACHERS, AFT, AFL-CIO

Mr. Chairman and members of the subcommittee, I am Ronald Marec, President of the Ohio Federation of Teachers, AFL-CIO. Our organization appreciates this opportunity to express our serious concerns about the deleterious effects the Administration's proposed budget cuts will have upon public education.

First, it must be remembered that the President's proposed cuts come on top of another massive cut that takes effect this year with the elimination of state revenue sharing. Over $750 million has been lost to education by the termination of state revenue sharing. Thirteen states used all of their revenue sharing funds for education and many others used significant amounts to support their educational process. In Ohio, where 48 percent of state revenue sharing was used for elementary and secondary education and 27 percent of state revenue sharing was used for higher education, a total of $93 million was lost.

Now the Administration has applied what is described as an across-the-board 20 percent cut to elementary and secondary education. The National School Board Association calculates the cut as being close to 30 percent when Impact Aid and Vocational Education are considered. If Child Nutrition programs are included, the size of the cut escalates to 36 percent.

Among the likely ramifications of the Administration's proposed budget is an increase in state and local taxes. For example, by slashing Federal Aid to the handicapped, the Administration will not be lifting Federal mandates that require all handicapped children be provided an appropriate public education. Federal law and many court decisions will remain on the books. Likewise, whatever the Administration's attitude, the Federal courts have ordered some expensive remedies to bring about school desegration. Those orders remain in effect, and in the case of Ohio, we are the most litigated state in the nation on desegregation matters. In Cleveland, to cite one example, 12-20 percent of the budget is designated for desegregation costs. $40 million was taken out of the General Fund of the Cleveland schools for desegretion costs in 1980-81, and another $30-31 million will be needed in 1981-82. Thus, state and local governments will be required to raise their taxes to pay for these services. What the Administration's proposed budget will necessitate is a transfer of taxes from one level of government to another. In Ohio the proposed Federal cuts compound an already critical crisis in school funding. The Ohio State Superintendent of Public Instruction, Dr. Franklin Walter, prior to the announcement of the Federal budget, stated the need for almost $1 billion in additional monies in the state education budget to provide Ohio's children with merely an adequate education in the next biennium.

By cutting $1.5 billion, 25 percent, in funding for the proposed Consolidation Program (which includes ESEA Title I, Education for all handicapped children, Adult Education, Bilingual Education, Emergency School Aid, LEA School Libraries) will not have flexibility as its major result, but rather will force competition among high priority needs down to the local level. The disadvantaged would have to fight the handicapped for shares of a much smaller pie. The details for the Consolidation Program are not yet available. We do not know what formulas would be used to distribute funds, nor do we know what, if any, accountability schemes might be attached to the money. We do know, however, that the contemplated reduction of funds passed down to the local level means fewer educational programs and fewer teachers. The AFT Department of Research indicates with a conservative estimate that 1,775 teaching positions in Ohio will be lost in fiscal year 1982 due to President Reagan's budget proposals and 1,125 teaching positions will be lost in Kentucky. 64,460 teaching jobs will be lost nationwide. If the Administration's contemplated recision for 1981 goes into effect, these figures will double. It is estimated that 55,000 teaching jobs are lost for every $1 billion cut in Federal funds.[1]

Among Ohio's largest cities, which increasingly are becoming the homes of the poor, disadvantaged, unemployed and minorities, the proposed Federal budget cuts will exacerbate an already critical situation. If a 25 percent cut in Federal funds is passed on to the local level, we find the following:

City	1980-81 Federal funds	Projected loss of Federal funds [1]
Cleveland	$28,000,000	$7,000,000
Columbus	14,200,000	3,500,000
Cincinnati	13,000,000	3,000,000
Toledo	11,000,000	2,750,000

[1] Ohio Federation of Teachers Survey of Large City School Districts, Mar. 12, 1981.

For the state of Ohio a loss of $69 million is estimated in elementary and secondary programs and another $58.4 million in the Nutrition Program. Columbus in preparing for the Federal loss in its nutrition (school lunch) program is already projecting a 30¢ increase in student meal prices.

Just in one program, Title I, Ohio will lose $22 million under the current Administration's proposed budget from what was projected in the previous Administration. This will mean 38,595 fewer students being served by that program and 1,103 unemployed teachers.[2]

In justifying budget cuts, the President has stated that the Federal government must get out of the business of subsidizing programs for people who do not really need Federal assistance. Yet, it is the disadvantaged and the handicapped who will suffer. Short changing education is a guarantee of future problems that will be more expensive to solve the longer they are not addressed. It is desirable that Headstart will be saved from the budget ax, but the benefits of Headstart will be lost without an adequate Title I program to carry the work forward. We must recognize that education is a capital investment that results in increased productivity and better living standards for the American work force. For example, Federal estimates indicate that in financing the G.I. Bill for every dollar spent the Federal government received $13 back in increased tax revenue from the increased earning power that education produced. How then can slashing compensatory and vocational education programs fit into the national plans for re-industrialization and greater productivity?

While the details are not available, it appears that the cuts in higher education are also ominous. Currently, the Federal government provides about $10 billion per year in student aid. Two billion dollars comes from the Social Security program which is proposed to be totally eliminated over the next four years. More objectionable is a proposal which requires a $750 contribution from all families which receive a Basic Education Opportunity Grant. This $750 would reduce the allowable expenses to which a BEOG grant could be applied. It will work a special hardship on the poor. It we were describing an insurance program, this money would be accurately characterized as a deductable.

Further, major changes are proposed in the Guaranteed Student Loan program. Student Loan programs currently represent a major element to higher education for so many American families. The AFT has always held that more Federal resources should be placed behind grant programs and that loans are not the best way to finance college costs. Still a sound loan program is vital to a balanced student aid package. However, it seems that student loan limits will be reduced and the in-school interest subsidy will be terminated. Henceforth, the interest costs on guaranteed loans will be accrued by students while they are in school. Currently, interest while the student is in school is paid by the Federal government. Students will graduate with an even greater debt than they now have or the increased costs will simply make college unavailable to many families.

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[1] AFT Department of Research calculations from National Center for Education Statistics data.

Note: Calculated on bases of 31 percent decline in total Federal education expenditure (as estimated by National School Boards Association) by state, assuming a constant student/teacher ratio.

[2] Ohio State Department of Education, Division of Federal Assistance, ESEA Title I, Mar. 13, 1981.

Finally, the President proposes to eliminate the Student Loan Marketing Association access to Federal borrowing. What this will do is put student loans almost totally into the private sector with access to loans being determined by one's relationship to financial institutions.

By dramatically increasing the costs of loans to families and students, there is no doubt that less access to higher education will be the result.

In conclusion, the Administration's proposed budget cuts do not represent a plan for economic recovery, but will, if enacted, cause severe harm to our educational system and other services. We hope that Congress will come up with an alternative program that will meet the needs of our nation.

I wish to thank the members of the committee for their kind attention and consideration.

STATEMENT OF RONALD MAREC, PRESIDENT, OHIO FEDERATION OF TEACHERS, AFT, AFL-CIO

Mr. MAREC. Mr. Chairman and members of the subcommittee, I am Ronald Marec, president of the Ohio Federation of Teachers, the State affiliate of the American Federation of Teachers, and a vice president of the Ohio AFL-CIO.

Our union appreciates this opportunity to express our serious concerns about the effects of the administration's proposed budget cuts upon public education.

First, it must be remembered that the President's proposed cuts come on top of another massive cut that takes effect this year with the elimination of State revenue sharing. Over $750 million has been lost to education by the termination of State revenue sharing. Thirteen states use all of their revenue sharing funds for education and many others use significant amounts to support their educational process.

In Ohio, where 48 percent of State revenue sharing was used for elementary and secondary education and 27 percent for higher education, a total of $93 million was lost.

Now the administration has applied what is described as an across-the-board 20-percent cut to elementary and secondary education. The National School Board Association calculates the cut as being closer to 30 percent when impact aid and vocational education are considered, and if the child nutrition programs are included, the size of the cut then escalates to 36 percent.

Among the likely ramifications of the administration's proposed budget is an increase in State and local taxes. For example, by slashing Federal aid to the handicapped, the administration will not be lifting Federal mandates that require all handicapped children be provided with an appropriate public education. Federal law and many court decisions will remain on the books.

Likewise, whatever the administration's attitude, the Federal courts have ordered some expensive remedies to bring about school desegregation. Those orders remain in effect. And in the case of Ohio, we are the most litigated State in the Nation on desegregation matters.

In Cleveland, to cite one example, 12 to 20 percent of the budget is designated for desegregation costs; $40 million was taken out of the Cleveland schools general fund for desegregation costs in 1980-81. Another $30 to $31 million will be needed in 1981-82. Thus, State and local governments will be required to raise their taxes to pay for these services. What the administration's proposed budget will necessitate is a transfer of taxes from one level of government to another.

In Ohio, the proposed Federal cuts compound an already critical crisis in school funding. The superintendent of public instruction for Ohio, Dr. Franklin Walter, prior to the announcement of the Federal budget, stated the need for almost $1 billion in additional moneys in the State education budget merely to provide Ohio's children with an adequate education in the next biennium.

By cutting $1.5 billion, 25 percent, in funding for the proposed consolidation program, will not have as a result the flexibility that the administration claims, but rather it will force competition among high-priority needs down to the local level. The disadvantaged will have to fight the handicapped for their share of a much smaller pie.

The details for the consolidation program are not yet available and we do not know what formulas will be used to distribute funds. Nor do we know what if any accountability schemes might be attached to the money. We do know, however, that the contemplated reductions of funds passed down to the local level means fewer educational programs for children and fewer teachers.

The AFT Department of Research indicates with the conservative estimate that 1,775 teaching positions in Ohio will be lost in fiscal year 1982 due to President Reagan's budget proposals, 1,125 teaching positions will be lost in Kentucky, and 64,000 teaching jobs will be lost nationwide. If the administration's contemplated rescission for 1981 goes into effect, those figures will double. A good estimate indicates that 55,000 teaching jobs are lost for every $1 billion cut in Federal funds.

Among Ohio's largest cities, which increasingly are becoming the homes of the poor, disadvantaged, unemployed, and minorities, the proposed Federal budget cuts will exacerbate an already critical situation. If a 25-percent cut in Federal funds is passed on to the local level, we find the following. Cleveland city schools will experience a $7 million loss of Federal funds, the Columbus city schools $3.5 million. Cincinnati public schools, $3 million, the Toledo city school district $2.75 million.

For the State of Ohio, a loss of $69 million is estimated in elementary and secondary programs and another $58.4 million in the nutrition program. The city school district of Columbus, in preparing for Federal loss in its nutrition program, is already projecting a 30-cent increase in student meal prices.

Just one program in Ohio, title I, will lose $22 million under the current administration's proposed budget. Using State department projections, this will mean 38,595 fewer students in our State being served by that program and 1,103 unemployed teachers.

In justifying the budget cuts, the President has stated that the Federal Government must get out of the business of subsidizing programs for people who do not really need Federal assistance. Yet it is the disadvantaged and the handicapped who will suffer. Shortchanging education is a guarantee of future problems that will be more expensive to solve the longer they are not addressed.

It is desirable that Head Start will be saved from the budget ax, but the benefits of Head Start will be lost without an adequate title I program to carry the work forward. We must recognize that education is a capital investment that results in increased productivity and better living standards for America's work force. For example, Federal estimates indicate that in financing the GI bill, for every Federal dollar spent, the U.S. Government received $13 back in increased tax revenue from the increased earning power that education produced. How then can slashing compensatory and vocational education programs fit in the national plans for reindustrialization and greater productivity?

If we take a look at higher education, we find that again the situation is just as oninous as for secondary and elementary, and in the written testimony there is at least some rationale for that statement.

Basically in conclusion, therefore, members of the panel, it is our organization's feeling that the administration's proposed budget cuts do not represent a plan for economic recovery, but will if enacted cause severe harm to our educational system and other services. As a matter of fact, the economics of it may just be the opposite.

For example, just in February 260 Cleveland teachers and 80 teacher aides were laid off. Immediately the first action of the union was to make sure that they had properly filed for unemployment compensation and to make sure that they had applied for food stamps and job counseling took place through the United Labor Agency, part of which is funded by CETA. So it sort of all ties together.

We hope the Congress will come up with an alternative program which will truly meet the needs of our Nation and our children. Thank you very much.

Chairman **Perkins**. Thank you very much. We will now hear from Mr. Walter Mika, Jr., president of the Virginia Education Association.

[The prepared statement of Walter Mika follows:]

PREPARED STATEMENT OF WALTER J. MIKA, JR., PRESIDENT, VIRGINIA EDUCATION ASSOCIATION

The Virginia Education Association appreciates the opportunity to present this statement on the impact of the proposed Federal budget cuts on education programs and services in Virginia. I want to overview briefly for you some relevant facts about Virginia and how education is funded in the Commonwealth. Virginia is a State of contrast, diversity, and wide disparity in terms of educational opportunities available to its children. A rapidly expanding urban corridor extends from the suburbs of Washington, D.C. down Virginia's eastern shoreline to Norfolk and Virginia Beach. Virginia's largest school division, Fairfax County, enrolls 128,653 students and employs 7,721 instructional personnel while Cape Charles, its smallest school division, has 219 students and employs 20.5 instructional personnel. Virginia has seven core cities enrolling some 151,000 children. A substantial majority of these children have special needs which impose high costs on these localities.

DISPARITIES

The ability of Virginia localities to support education—represented by the amount of property taxable for school puroses in 1978-79—ranges from a high of $377,872 per pupil in Surry County to a low of only $29,347 in Scott County. Surry County in other words, is ten times as able to support education as Scott County.

The disparity in effort to support education is as great. One measure of this effort is the true tax rate on each $100 of property taxable for school purposes, a figure which varied in 1978-79 from $1.66 in Petersburg to 30 cents in Louisa County. This means that the people are taxed five times as much for education in Petersburg as they are in Louisa County.

FUNDING

In 1979-80, Virginia expended $1,800,389,026 for the operation of its public schools. These expenditures came from the following sources: Local government—48 percent; State one percent sales tax earmarked for education—10.8 percent; State government—30.6 percent; Federal government—10.6 percent. These percentages demonstrate that the primary support for public elementary and secondary education in Virginia comes from the local government. This pattern of primary local support in Virginia has continued in the face of a general trend in the United States for the assumption of a greater percentage of financial support by the State governments.

School divisions in Virginia have no taxing authority and are fiscally dependent on local governing bodies for local school funds. The bulk of these local funds comes from the property tax in most localities.

Local school division boundaries in Virginia are coterminous with governance unit boundaries and school board members are appointed by either the governing body or a trustee electoral board. It is unlikely, therefore, that Virginia localities would increase local appropriations to replace funds lost as a result of the Federal budget cuts. If the timetable for the budget cuts is moved forward to impact on the 1981-82 school year beginning this september, the result in Virginia will be the loss of these programs which serve the poor, the handicapped and the disadvantaged children.

Exhibit I shows for 1979-80 the percent of total expenditures derived from Federal funds for each Virginia locality and the per pupil expenditure from Federal funds for each Virginia locality. The percent of total expenditures for operation from Federal funds varies from 23.5 percent in Prince George County 2.7 in Farifax City. The per pupil expenditure for school operation from Federal funds varies from $521 per pupil in Surry County to $43 per pupil in Fairfax City.

IMPACT OF THE PROPOSED BUDGET CUTS ON VIRGINIA

The previously cited statistics demonstrate the extent to which Virginia localities participate in Federal Education Programs. Exhibit II summarizes with dollar amounts the Federal programs in which Virginia participates in 1980-81. Exhibit II shows that if the recently announced cut of 25 percent is applied to the affected programs for 1980-81, the loss in Federal funds would be $29,740,722. Figures are not yet available program by program for 1981-82. In addition, Virginia ranks fifth among the States in receipt of Federal impact aid funds. Exhibit III compares impact aid payments under the Reagan proposal for fiscal year 1982 with the fiscal year 1981 appropriation. Under the propsal, Federal impact aid payments for Virginia localities would be reduced from $34,606,000 to $4,087,000—a loss of $30,519,000. The number of localities receiving impact aid would be reduced from sixty-nine to two: Prince George County—$1,620,000 and York County—$2,466,000. The combined cuts affecting Federal education programs and services and impact aid amount to $92,515,772. This is a conservative estimate since the 25 percent reduction was applied to funds available for Federal programs in 1980-81. I would also point out that the discontinuation of the State share of Federal revenue sharing meant a one year loss in education funds to Virginia of approximately $50 million. Virginia was one of eleven States which used all if its State share of Federal revenue sharing funds for elementary and secondary education.

The core cities, the localities with low ability to pay, and the impact aid school divisions have made extensive use of Federal funds to equalize educational opportunities for Virginia children. The proposed budget cuts will have a devastating impact on Virginia localities. As an example, exhibit IV shows the effect of the proposed cuts on programs and services in Norfolk—one of Virginia's core cities. Seven program and service areas would be cut by $5.6 million—seven percent of the $80 million school operating budget. This survey was completed by the Norfolk school division prior to the announcenent that the proposed cuts would be increased from 20 percent to 25 percent.

In closing, I would point out that a recent Louis Harris survey found that Americans strongly support all the budget cuts called for by President Reagan except two:

By 54-42 percent, a majority is opposed to the President's call for a cut in Federal aid to primary and secondary education.

By 60-36 percent, a clear majority is opposed to the Reagan plan to cut medicaid.

For more than a decade, the Harris survey has consistently found that Americans line up against cutbacks in Federal programs in the fields of health and education.

STATISTICAL DATA ON VIRGINIA'S PUBLIC SCHOOLS

EXHIBIT I

1979-80 SCHOOL YEAR

Division	ADM for determining cost per pupil	Per pupil expenditure from federal funds	Total per pupil expenditure	1978 Per capita personal income: Amount	1978 Per capita personal income: Rank	Total expenditures for operations	Federal: Amount	Federal: Percent of total	Federal: Rank
COUNTIES									
Accomack	3,579	$ 260	$ 1,525	$5,775	91	$ 8,507,538	$ 1,452,612	17.1	20
Albemarle	9,433	129	1,706	6,250	71	16,843,577	1,213,413	7.2	119
Alleghany	3,282	147	1,409	5,231	118	4,625,616	482,843	10.4	80
Amelia	1,622	368	1,637	5,569	101	2,655,693	597,132	22.5	5
Amherst	5,481	141	1,361	5,793	89	7,460,006	771,664	10.3	81
Appomattox	2,703	152	1,358	6,294	69	3,671,310	412,184	11.2	74
Arlington	15,563	234	3,572	14,675	2	55,993,323	3,648,050	6.6	123
Augusta	11,170	131	1,446	5,775	91	16,157,919	1,469,179	9.1	96
Bath	1,190	394	2,201	7,334	37	2,618,685	469,010	17.9	17
Bedford	7,929	115	1,446	6,364	64	11,461,603	911,955	8.0	112
Bland	1,288	194	1,285	4,564	134	1,655,329	249,748	15.1	34
Botetourt	4,831	100	1,470	6,056	77	7,099,394	482,207	6.8	121
Brunswick	3,167	323	1,667	5,073	124	5,280,969	1,023,670	19.4	15
Buchanan	8,842	239	1,706	6,395	62	15,080,217	2,116,646	14.0	43
Buckingham	2,625	294	1,435	4,391	135	3,767,975	771,273	20.5	12
Campbell	9,679	129	1,446	6,800	47	13,996,336	1,245,224	8.9	99
Caroline	3,944	200	1,295	5,981	80	5,132,889	794,073	15.5	39
Carroll	5,226	188	1,399	5,044	126	7,310,634	983,618	13.5	48
Charles City	1,534	428	1,835	4,919	128	2,814,519	656,530	23.3	3
Charlotte	2,711	216	1,390	5,213	119	3,768,647	585,545	15.5	29
Chesterfield	32,621	76	1,353	8,197	22	50,650,221	2,491,623	4.9	133
Clarke	1,810	153	1,583	7,382	34	2,864,942	277,236	9.7	85
Craig	767	194	1,483	5,497	106	1,137,652	148,881	13.1	51
Culpeper	4,718	148	1,540	6,320	68	7,266,928	698,534	9.6	87
Cumberland	1,663	255	1,429	4,814	130	2,376,228	423,570	17.8	18
Dickenson	4,470	216	1,748	5,055	125	7,815,146	964,542	12.3	62
Dinwiddie	4,700	187	1,683	6,245	72	8,013,318	891,027	11.1	77
Essex	1,751	213	1,632	5,621	99	2,858,266	373,097	13.1	51
Fairfax	128,659	147	2,222	10,835	5	285,930,873	18,927,657	6.6	123
Fauquier	7,469	154	1,654	7,717	29	12,353,565	1,152,031	9.3	91
Floyd	2,135	137	1,473	5,120	120	3,144,716	291,547	9.3	91

Division	ADM for determining cost per pupil	Per pupil expenditure from federal funds	Total per pupil expenditure	1978 Per capita personal income		Total expenditures for operations	Federal		
				Amount	Rank		Amount	Percent of total	Rank
COUNTIES									
Fluvanna	2,389	$ 175	$ 1,342	$ 5,353	114	$ 3,406,745	$ 385,753	11.3%	73
Franklin	7,039	127	1,336	5,802	88	9,429,412	897,827	9.5	89
Frederick	7,470	122	1,392	7,032	44	10,398,331	910,668	8.8	101
Giles	3,870	242	1,573	5,958	82	6,988,813	936,938	13.4	32
Gloucester	3,835	142	1,459	6,798	48	5,624,713	548,074	9.7	85
Goochland	2,066	259	1,902	6,380	63	3,929,419	536,100	13.6	47
Grayson	2,918	155	1,259	4,877	129	3,674,950	452,309	12.3	62
Greene	1,628	136	1,522	4,681	132	2,477,939	217,610	8.8	101
Greensville[1]	3,453	233	1,362	4,296	136	4,701,434	803,825	17.1	20
Halifax	6,521	286	1,564	4,762	131	10,199,188	1,866,401	18.3	16
Hanover	10,743	83	1,352	7,513	32	14,524,854	892,964	6.1	126
Henrico	32,713	84	1,917	9,596	7	62,715,396	2,736,920	4.4	134
Henry	11,993	133	1,409	6,117	76	16,892,357	1,594,118	9.4	90
Highland	474	187	2,073	6,122	75	982,762	88,771	9.0	97
Isle of Wight	4,209	220	1,528	6,199	73	6,429,411	1,052,812	16.4	24
James City[2]				5,961	81				
King George	2,386	210	1,481	7,296	38	3,534,670	501,690	14.2	42
King and Queen	1,001	268	1,781	5,784	90	1,782,543	268,648	15.1	34
King William	1,446	364	1,718	6,923	45	2,484,408	525,937	21.2	8
Lancaster	1,738	230	1,336	7,155	39	2,688,822	398,177	14.8	37
Lee	5,997	330	1,594	4,661	133	8,919,924	1,849,457	20.7	10
Loudoun	13,710	88	1,726	9,325	8	23,638,986	1,212,166	5.1	132
Louisa	3,630	191	1,503	5,512	105	5,469,724	694,153	12.7	56
Lunenburg	2,501	316	1,565	5,343	115	3,913,353	789,716	20.2	13
Madison	2,103	100	1,508	5,093	123	3,360,928	336,376	10.0	84
Mathews	1,353	118	1,470	5,823	87	1,989,426	159,628	8.0	112
Mecklenburg	5,879	238	1,491	5,479	107	8,764,803	1,397,294	15.9	26
Middlesex	1,312	214	1,532	5,737	94	2,035,855	280,310	13.8	45
Montgomery	9,208	130	1,408	4,978	127	13,703,184	1,194,591	8.7	104
Nelson	2,481	230	1,655	5,107	122	4,106,499	569,792	13.9	44
New Kent	1,737	208	1,716	6,584	55	2,980,820	360,929	12.1	66
Northampton	2,546	300	1,934	5,113	121	4,974,080	968,483	19.5	14
Northumberland	1,512	239	1,877	6,608	53	2,837,688	360,897	12.7	56
Nottoway	2,816	319	1,495	6,141	74	4,210,486	898,563	21.3	7

Division	ADM for determining cost per pupil	Per pupil expenditures from federal funds	Total per pupil expenditure	1978 Per capita personal income Amount	1978 Per capita personal income Rank	Total expenditures for operations	Federal Amount	Federal Percent of total	Federal Rank
COUNTIES									
Orange	3,783	$ 230	$1,544	$6,499	60	$ 5,840,655	$ 869,151	14.9%	36
Page	3,822	148	1,317	5,450	110	5,031,788	565,863	11.2	74
Patrick	3,553	149	1,285	5,475	108	4,565,643	529,882	11.6	72
Pittsylvania	13,743	203	1,422	5,315	116	19,538,809	2,794,868	14.3	40
Powhatan	2,438	107	1,328	5,656	98	3,236,751	260,771	8.1	110
Prince Edward	2,192	362	1,616	5,719	95	3,542,464	793,742	22.4	6
Prince George	5,295	385	1,636	6,343	66	8,660,546	2,038,548	23.5	1
Prince William	35,476	98	1,813	7,513	32	64,335,006	3,476,428	5.4	131
Pulaski	7,739	134	1,293	6,014	78	10,006,302	1,034,705	10.3	81
Rappahannock	1,152	163	1,383	6,566	57	1,593,347	187,942	11.8	68
Richmond	1,376	247	1,592	5,523	104	2,190,629	340,130	15.5	29
Roanoke[2]	19,546	73	1,769	8,079	24	34,579,110	1,432,755	4.1	135
Rockbridge	3,473	135	1,602	5,56[illegible]	102	5,563,747	467,729	8.4	108
Rockingham	10,462	119	1,423	6,013	79	14,889,522	1,246,448	8.4	108
Russell	6,666	173	1,615	5,275	117	10,767,733	1,152,381	10.7	78
Scott	5,177	226	1,411	5,530	103	7,303,278	1,170,244	16.0	25
Shenandoah	5,308	93	1,389	5,941	83	7,374,791	494,002	6.7	122
Smyth[2]	6,852	130	1,244	5,386	112	8,522,762	893,812	10.5	79
Southampton	3,326	344	1,667	5,374	113	5,545,275	1,143,230	20.6	11
Spotsylvania	8,403	101	1,285	5,684	97	10,796,895	851,071	7.9	114
Stafford	9,667	124	1,326	6,642	52	12,823,103	1,197,007	9.3	91
Surry	1,321	521	2,229	5,840	86	2,944,747	688,826	23.4	2
Sussex	2,446	273	1,644	5,912	84	4,020,582	667,148	16.6	23
Tazewell	10,837	156	1,392	6,353	65	15,088,582	1,685,171	11.2	74
Warren	4,041	173	1,426	6,461	61	5,762,481	698,672	12.1	66
Washington	9,432	215	1,449	5,426	111	13,665,932	2,028,687	14.8	37
Westmoreland	2,353	299	1,685	5,462	109	3,964,414	704,571	17.8	18
Wise	9,744	237	1,562	6,570	56	15,217,764	2,308,894	15.2	33
Wythe	5,338	114	1,278	5,712	96	6,820,004	607,084	8.9	99
York	8,923	360	1,560	6,841	46	13,922,893	3,213,220	23.1	4
TOWNS									
Cape Charles	219	$ 238	$ 1,773			$ 388,245	$ 52,044	13.4	49
Colonial Beach	508	151	1,468			745,682	76,819	10.3	81

Division	ADM for determining cost per pupil	Per pupil expenditure from federal funds	Total per pupil expenditure	1978 Per capita personal income Amount	1978 Per capita personal income Rank	Total expenditures for operations	Federal Amount	Federal Percent of total	Federal Rank
TOWNS									
Fries	477	$ 155	$ 1,228			$ 585,647	$ 74,080	12.6 %	59
Saltville[1]									
West Point	744	233	1,880			1,398,736	173,683	12.4	61
CITIES									
Alexandria	11,755	231	3,026	12,208	3	35,574,366	2,715,195	7.6	116
Bedford[1]				8,409	17				
Bristol	3,587	189	1,598	6,290	70	5,730,419	678,173	11.8	68
Buena Vista	1,438	119	1,381	5,750	93	1,986,167	170,643	8.6	106
Charlottesville	5,164	307	2,519	8,218	21	13,006,744	1,586,138	12.2	65
Chesapeake	25,488	186	1,477	6,340	67	37,653,484	4,752,598	12.6	59
Clifton Forge	859	176	1,920	8,370	19	1,648,907	151,018	9.2	94
Colonial Heights	3,518	92	1,564	8,651	12	5,501,176	322,132	5.9	127
Covington	1,768	137	1,599	8,377	18	2,826,434	241,998	8.6	106
Danville	7,849	203	1,548	7,378	35	12,151,676	1,589,888	13.1	51
Emporia[1]				7,919	25				
Fairfax	3,546	43	2,168	11,586	4	7,688,488	153,839	2.0	136
Falls Church	1,166	194	3,510	19,533	1	4,092,133	226,344	5.5	130
Franklin	1,820	237	1,639	8,483	14	2,983,860	431,379	14.5	39
Fredericksburg	2,248	190	2,170	8,814	11	4,878,576	428,101	8.8	101
Galax	1,377	178	1,513	7,764	28	2,083,215	245,612	11.8	68
Hampton	24,794	197	1,553	7,061	43	38,495,302	4,883,440	12.7	56
Harrisonburg	2,433	165	1,831	6,522	59	4,455,564	402,796	9.0	97
Hopewell	4,627	133	1,685	7,128	41	7,795,282	614,884	7.9	114
Lexington	872	94	1,522	6,585	54	1,327,497	82,309	6.2	125
Lynchburg	10,537	139	1,922	7,678	30	20,249,495	1,469,142	7.3	118
Manassas	3,238	91	1,563	9,762	6	5,062,004	293,451	5.8	128
Manassas Park	1,699	122	1,509	6,539	58	2,563,589	207,249	8.1	110
Martinsville	3,517	192	1,641	8,612	13	5,770,614	676,290	11.7	71
Newport News	26,661	231	1,878	7,106	42	50,072,507	6,150,243	12.3	62
Norfolk	37,397	411	1,955	6,700	50	73,494,186	15,467,387	21.0	9
Norton	1,068	178	1,366	8,570	15	1,459,330	189,960	13.0	54
Petersburg	7,772	250	1,923	7,137	40	14,947,467	1,942,933	13.0	54
Poquoson	2,288	105	1,205	5,892	85	2,757,994	240,436	8.7	104
Portsmouth	19,480	256	1,634	6,795	49	31,821,845	4,993,840	15.7	28

Exhibit II

FEDERAL PROGRAMS - 1980-81
VIRGINIA

PROGRAM		FEDERAL FUNDS AWARDED 1980-81 *1979-80	TOTALS
TITLE I	FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS OF CHILDREN**		
	Handicapped	$ 1,679,983	
	Local Education Agencies (Educationally Deprived Children)	38,661,096	
	Migrant (Educationally Deprived Children Migrant)	766,382	
	State Administration (Educationally Deprived Children)	919,160	
	Neglected or Delinquent Children (Educationally Deprived Children in State Administered Institutions Serving Neglected or Delinquent Children)	612,730	
	Adult Correctional Institutions	287,740	$ 43,926,961
TITLE II	BASIC SKILLS IMPROVEMENTS**		125,983
TITLE IV	EDUCATIONAL IMPROVEMENT, RESOURCES AND SUPPORT **		
	Libraries and Learning Resources	$ 3,914,671	
	Educational Improvement in Local Educational Practice	3,259,786	7,174,457
TITLE VI	EMERGENCY SCHOOL AID**		
	Civil Rights Technical Assistance and Training		163,190
TITLE VII	BILINGUAL EDUCATION PROGRAMS **		19,200
TITLE IX	GIFTED AND TALENTED CHILDREN **		
	Education for Gifted and Talented Children and Youth	$ 110,000	
	Education for Gifted and Talented Children and Youth (Project GETT-UP)	60,000	170,000
TITLE X	IMPACT AID AMENDMENTS		
	School Assistance in Federally Affected Areas - Maintenance and Operation		34,606,000
TITLE XI	INDIAN EDUCATION		
	Grants to Local Education Agencies	1/	1/
TITLE XII	REVISION OF OTHER EDUCATION PROGRAMS		
	Part A - Adult Education**	$ 2,373,823	
	Part C - Indochinese Refugee Children	445,688*	
	Part D - Education of the Handicapped		
	Handicapped School Programs**	20,500,000 (est.)	
	Handicapped Innovative Programs - Deaf Blind Centers**	197,367	
	Handicapped Personnel Preparation**	38,000	23,571,078
CAREER EDUCATION			
	Career Education Incentive Program**		299,832
ECONOMIC OPPORTUNITY ACT OF 1964			
	Follow Through	$ 10,079*	
	Child Development - Head Start	1/	10,079*
APPALACHIAN REGIONAL DEVELOPMENT ACT			
	Appalachian Vocational Education Facilities/Operation**		131,696
COASTAL PLAINS SUPPLEMENTS TO FEDERAL GRANT-IN-AID			
	Supplemental Grant Program		183,333
VOCATIONAL EDUCATION AMENDMENTS OF 1976, TITLE I**			
	Administration And Special Needs	$ 490,756	
	Basic Grants to States	13,180,344	
	Consumer and Homemaking	1,884,719	
	Program Improvement and Supportive Service	3,150,386	
	Planning and Evaluation	134,589	18,838,794

514

FEDERAL PROGRAMS - 1980-81 (continued)

PROGRAM	FEDERAL FUNDS AWARDED 1980-81 *1979-80	TOTALS
COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973 **		
Comprehensive Employment and Training Program		$ 3,370,000
EDUCATION PROFESSIONS DEVELOPMENT ACT		
Teacher Corps		2/
NATIONAL SCHOOL LUNCH ACT		
National School Lunch Program		48,578,455*
CHILD NUTRITION ACT		
School Breakfast Program	$ 3,998,452*	
Child Nutrition Program - Nonfood Assistance**	614,316*	
Special Milk Program**	2,656,024*	
Nutrition Education and Training Program**	457,914*	7,729,706
VETERANS READJUSTMENT BENEFITS ACT		
Veterans Educational Assistance		160,891
HIGHWAY SAFETY ACTS		
State and Community Highway Safety	$ 136,400	
Driver Education	30,500	
Pedestrian Safety	72,000	238,900
GRAND TOTAL		$207,204,872

LOSS RESULTING FROM FEDERAL CUTS

** 25% Cut of Affected Programs	$29,740,772
Loss in School Lunch Program	31,956,000
Loss in Impact Aid	30,519,000
Total Loss	$92,215,772

1/ Funding made directly to the local education agencies and the State acts as a coordinator between the Office of Education and the local education agencies.

2/ The State Department of Education merely acts as a coordinator and quality control agency and therefore receives no funds.

** Federal programs and services potentially affected by the proposed 25% cut.

Exhibit III

03/23/81

TABLE 1

PAGE 131

VIRGINIA

P.L.81-874 ESTIMATED SEC.3 IMPACT AID PAYMENTS UNDER REAGAN PROPOSAL FOR FY82 AS COMPARED WITH THE FY81 APPROPRIATION UNDER P.L.96-536.

NOTE -- SEE COVER PAGE FOR DESCRIPTION OF THE FORMULA

COL.A--SEC. 3(A) PAYMENT FY 1982 REAGAN PROPOSAL
COL.B--SEC. 3(B) PAYMENT FY 1982 REAGAN PROPOSAL
COL.C--TOTAL SEC.3(A)3(B) PAYMENT FY 1982 REAGAN PROPOSAL
COL.D--SEC.3(A) PAYMENT FY 1981 (P.L.96-536)
COL.E--SEC.3(B) PAYMENT FY 1981 (P.L.96-536)
COL.F--TOTAL SEC.3(A)3(B) PAYMENT(P.L.96-536)
COL.G--DIFFERENCE FY 1982 SEC. 3 PAYMENT MINUS FY 1981 SEC. 3 PAYMENT (COL.C MINUS COL.F)

	DISTRICT	A.	B.	C.	D.	E.	F.	G.
3988	ACCOMACK CO SCH BD	0	0	0	0	15,000	15,000	-15,000
3989	ALEXANDRIA CITY SCH BD	0	0	0	0	567,000	567,000	-567,000
3990	ARLINGTON CO SCH BD	0	0	0	458,000	508,000	966,000	-966,000
3991	BATH CO SCH SYS	0	0	0	1,000	16,000	17,000	-17,000
3992	BLAND CO SCH BD	0	0	0	0	3,000	3,000	-3,000
3993	BRISTOL CITY SCH BD	0	0	0	0	32,000	32,000	-32,000
3994	CAROLINE CO SCH BD	0	0	0	2,000	24,000	27,000	-27,000
3995	CARROLL CO SCH BD	0	0	0	1,000	13,000	14,000	-14,000
3996	CHARLES CITY CO SCH BD	0	0	0	0	0	0	C
3997	CHARLOTTESVILLE PUB SCHS	0	0	0	0	19,000	19,000	-19,000
3998	CHESAPEAKE CITY SCH BD	0	0	0	223,000	699,000	922,000	-922,000
3999	CHESTERFIELD CO SCH BD	0	0	0	30,000	165,000	195,000	-195,000
4000	CLARKE CO SCH BD	0	0	0	0	16,000	16,000	-16,000
4001	COLONIAL HGTS CITY SCH B	0	0	0	0	79,000	79,000	-79,000
4002	COLONIAL BEACH SCH BD	0	0	0	0	10,000	10,000	-10,000
4003	CRAIG CO SCH BD	0	0	0	4,000	4,000	8,000	-8,000
4004	CULPEPER CO SCH BD	0	0	0	0	10,000	10,000	-10,000
4005	DINWIDDIE CO SCH BD	0	0	0	0	29,000	29,000	-29,000
4006	FAIRFAX CITY SCH BD	0	0	0	0	109,000	109,000	-109,000
4007	FAIRFAX CO SCH BD	0	0	0	2,412,000	6,155,000	8,567,000	-8,567,000
4008	FALLS CHURCH CITY SCH BD	0	0	0	0	30,000	30,000	-30,000
4009	FAUQUIER CO SCH BD	0	0	0	195,000	60,000	255,000	-255,000
4010	FLOYD CO SCH BD	0	0	0	0	7,000	7,000	-7,000
4011	FREDERICK CO BD OF ED	0	0	0	0	23,000	23,000	-23,000
4012	FREDERICKSBURG CITY SCHS	0	0	0	0	23,000	23,000	-23,000
4013	GILES CO SCH BD	0	0	0	0	14,000	14,000	-14,000
4014	GLOUCESTER CO SCH BD	0	0	0	0	58,000	58,000	-58,000
4015	HAMPTON CITY SCH BD	0	0	0	584,000	913,000	1,497,000	-1,497,000
4016	HARRISONBURG CITY PUB SC	0	0	0	0	11,000	11,000	-11,000
4017	HENRICO CO PUB SCHS	0	0	0	0	66,000	66,000	-66,000
4018	HOPEWELL CITY SCH BD	0	0	0	0	72,000	72,000	-72,000
4019	ISLE OF WIGHT CO SCH BD	0	0	0	0	14,000	14,000	-14,000
4020	KING GEORGE CO SCH BD	0	0	0	26,000	62,000	88,000	-88,000
4021	KING AND QUEEN CO PUB SC	0	0	0	0	0	C	0
4022	LOUDOUN CO SCH BD	0	0	0	0	215,000	215,000	-215,000
4023	LUNENBURG CO BD OF ED	0	0	0	0	9,000	9,000	-9,000
4024	LYNCHBURG PUB SCHS	0	0	0	0	32,000	32,000	-32,000
4025	MANASSAS PARK CITY SCH B	0	0	0	0	12,000	12,000	-12,000
4026	MANASSAS CITY SCH BD	0	0	0	0	27,000	27,000	-27,000

(0+) DENOTES POSITIVE NUMBERS ROUNDED TO ZERO. (0-) DENOTES NEGATIVE NUMBERS ROUNDED TO ZERO.

VIRGINIA

P.L.81-874 ESTIMATED SEC.3 IMPACT AID PAYMENTS UNDER REAGAN PROPOSAL FOR FY82 AS COMPARED WITH THE FY81 APPROPRIATION UNDER P.L.96-536.

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	DISTRICT	A.	B.	C.	D.	E.	F.	G.
4327	MATHEWS CO SCH BD	0	0	0	0	12,000	12,000	-12,000
4328	MONTGOMERY CO SCH BD	0	0	0	0	57,000	57,000	-57,000
4329	NEW KENT CO SCH BD	0	0	0	0	9,000	9,000	-9,000
4330	NEWPORT NEWS CITY SCH BD	0	0	0	1,167,000	779,000	1,946,000	-1,946,000
4331	NORFOLK CITY SCH BD	0	0	0	2,092,000	1,537,000	3,629,000	-3,629,000
4332	NORTHAMPTON CO PUB SCHS	0	0	0	0	4,000	4,000	-4,000
4333	NORTON CITY SCHS	0	0	0	0	10,000	10,000	-10,000
4334	NOTTOWAY CO SCH BD	0	0	0	0	10,000	10,000	-10,000
4335	PAGE CO PUB SCHS	0	0	0	2,000	12,000	14,000	-14,000
4336	PETERSBURG CITY SCH BD	0	0	0	3,000	150,000	153,000	-153,000
4337	POQUOSON CITY PUB SCHS	0	0	0	0	97,000	97,000	-97,000
4338	PORTSMOUTH CITY SCH BD	0	0	0	212,000	509,000	721,000	-721,000
4339	PRINCE GEORGE CO SCH BD	1,620,000	0	1,620,000	1,622,000	102,000	1,724,000	-103,000
4340	PRINCE WILLIAM CO SCH BD	0	0	0	25,000	1,089,000	1,114,000	-1,114,000
4341	PULASKI CO SCH BD	0	0	0	0	59,000	59,000	-59,000
4342	RADFORD CITY SCH BD	0	0	0	4,000	14,000	18,000	-18,000
4343	RICHMOND CO SCH BD	0	0	0	0	6,000	6,000	-6,000
4344	RICHMOND CITY SCH BD	0	0	0	10,000	321,000	331,000	-331,000
4345	ROANOKE CITY PUB SCHS	0	0	0	0	146,000	146,000	-146,000
4346	ROANOKE CO SCH BD	0	0	0	5,000	46,000	51,000	-51,000
4347	SPOTSYLVANIA CO SCH BD	0	0	0	0	86,000	86,000	-86,000
4348	STAFFORD CO SCHS	0	0	0	0	214,000	214,000	-214,000
4349	SUFFOLK CITY SCH BD	0	0	0	6,000	98,000	104,000	-104,000
4350	VIRGINIA BEACH CITY SCH	0	0	0	3,271,000	2,661,000	5,932,000	-5,932,000
4351	WARREN CO SCH BD	0	0	0	11,000	14,000	25,000	-25,000
4352	WEST POINT SCH BD	0	0	0	0	1,000	1,000	-1,000
4353	WESTMORELAND CO SCH BD	0	0	0	1,000	11,000	12,000	-12,000
4354	WILLIAMSBURG-JAMES CITY	0	0	0	0	49,000	49,000	-49,000
4355	WINCHESTER CITY SCH BD	0	0	0	0	16,000	16,000	-16,000
4356	YORK CO SCH BD	2,444,000	0	2,444,000	2,469,000	261,000	2,730,000	-286,000
	STATE TOTAL	4,067,000	0	4,067,000	15,866,000	18,760,000	34,626,000	-30,559,000

(+) DENOTES POSITIVE NUMBERS ROUNDED TO ZERO. (-) DENOTES NEGATIVE NUMBERS ROUNDED TO ZERO.

Exhibit IV

FEDERAL PROGRAMS AND SERVICES WHICH WOULD BE AFFECTED BY PROPOSED BUDGET CUTS

Name of Program	Amount of Proposed Cuts
Public Law 874 - Impact Aid	4,300,000
Adult Basic Education	$ 30,600
Educational Professional Development Act(Teacher Corp Program)	19,687
Elementary & Secondary Education Act, Title I	811,055
Elementary & Secondary Education Act, Title IVB	22,502
Emergency School Aid Act, Title VI	62,586
Comprehensive Employment Training Act	120,876
Work Study Program	1,400
Flow Through Funds, Title VIB	139,712
Basic Skills Improvement Program, Title II	14,277
Vocational Education for the Handicapped - Resource	31,336
Vocational Education for the Handicapped - Self-contained	39,170
Smoking and Alcohol Prevention Strategies	12,600

Total Proposed Cuts .... $ 5,605,801

Total School Operating Budget .... $ 79,755,798

Percent Proposed Cuts would be of Total School Operating Budget .... 7 %

Please return one copy to:
Research Division
Virginia Education Association
116 South Third Street
Richmond, Virginia 23219

J H Smith
Ass't Superintendent

Norfolk
School Division

STATEMENT OF WALTER J. MIKA, JR., PRESIDENT, VIRGINIA EDUCATION ASSOCIATION

Mr. MIKA. Thank you, Mr. Chairman. Let me briefly summarize the first two pages of my written statement for you.

The first part of the statement summarizes the disparity that we find in the State of Virginia in our ability to finance our educational program. For example, we have in some communities a high of over $377,000 worth of property that is taxable, whereas in other communities we have a low of $29,000. This is a tremendous difference that makes it extremely difficult for some of our school systems.

When you consider the tax rates that our districts pay on a real value of $100, we have school systems that have a tax of $1.66 per $100 and we have others that are as low as 30 cents per hundred, almost five times difference.

Now the problem that we encounter with this is that in the State of Virginia, our school boards of course do not have taxing power. The taxing power exists only with the local governing bodies. Therefore, the school boards must go to those governing bodies.

At the current time I would point out to you that if any cuts are made in the current budget, the date for advertising tax rates has generally passed for almost all of our localities under State law. They would not be able to react to the cuts in this particular year.

Further, I would point out to you that the bulk of support for education in the State of Virginia is local; 48 percent comes primarily from the real estate tax. Another approximately 11 percent comes from sales tax that is based on local sales in an area. It makes it very difficult for the communities to have anywhere to go in balancing these figures.

Moving to my statement, it is unlikely, therefore, that Virginia localities will increase local appropriations to replace funds lost as a result of the Federal budget cuts. If the timetable for the budget cuts is moved forward to impact on the 1981-1982 school year beginning this September, the result in Virginia will be the loss of these programs which serve the poor, the handicapped, and the disadvantaged children.

Exhibit 1 in my statement shows for 1979-80, the percent of total expenditures derived from Federal funds for each Virginia locality and the per pupil expenditure from Federal funds for each Virginia locality. The percent of total expenditures for operation from Federal funds varies from a high of 23.5 percent in Prince George County to only 2.7 percent in Fairfax City. The per pupil expenditure for school operation from Federal funds varies from $521 per pupil in Surry County to $43 per pupil in Fairfax City.

I think the thing that is most terrifying about the statistics, as we look at the percentage, the highest percentage of Federal funds shows in those counties that have the least basis to increase funding, or rural counties are the ones showing 20 and 23 percent Federal funds in their budget. If those funds are cut, those counties will not be able to react.

The previously cited statistics demonstrate the extent to which Virginia localities participate in Federal education programs. Exhibit 2 summarizes with dollar amounts the Federal programs in which Virginia participates in 1980-81. Exhibit 2 shows that if a recently announced cut of 25 percent is applied to the effective programs for 1980-81, the loss in Federal funds will be $29 million plus. Figures are not yet available program by program for 1981-82.

In addition, Virginia ranks fifth among the States in receipt of Federal impact aid funds. Exhibit 3 compares impact aid payments under the Reagan proposal for fiscal year 1982 with fiscal year 1981 appropriations. Under the proposal, Federal impact aid payments for Virginia localities would be reduced from $34 million to $4 million, a loss of over $30 million. The number of localities receiving impact aid would be reduced from 69 to just 2. Those two would be Prince George County and York County.

The combined cuts affecting Federal education programs and services and impact aid amounted to over $92 million for the State of Virginia. This is a conservative estimate, since the 25-percent reduction was applied to funds available for Federal programs in 1980-81.

I would also point out that the discontinuation of the State share of Federal revenue sharing meant a 1-year loss in education funds to Virginia of approximately $50 million. Virginia was one of 11 States which used all of its State share of Federal revenue sharing funds for elementary and secondary education.

In my own county of Fairfax, which many of you are familiar with in the Washington area, the cuts in this particular year would reflect probably only about 3.4 percent of the budget, but that would be some $14 million. Most of you are familiar with the local political situation in that area and it would be almost impossible for the school system to recoup those losses or to continue many of the programs. There have been estimates that that figure probably would increase the average cost to the taxpayer if the tax could go up an additional $168 in just Fairfax alone.

The core cities, the localities with low ability to pay, and the impact school divisions have made extensive use of Federal funds to equalize educational opportunities for Virginia children. The proposed budget cuts will have a devastating impact on Virginia localities. As an example, exhibit 4 shows the effect of the proposed cuts on programs and services in Norfolk, one of Virginia's core cities. Seven programs and service areas would be cut by $5.6 million—7 percent of the $80 million school operating budget for that city. This survey was completed by the Norfolk school division prior to the announcement that the proposed cuts would be increased from 20 to 25 percent.

In closing, I would point out that the recent Louis Harris survey found that Americans strongly support all the budget cuts called for by President Reagan except two. By 54 to 42 percent, a majority is opposed to the President's call for a cut in Federal aid to primary and secondary education. I might comment that we have often heard of a 51-percent mandate in regard to the election. I wonder what a 54-percent landslide would be in this area.

Even higher of course are the recommended areas on medicaid, that that not be cut. I think for more than a decade, the Harris survey has consistently found that Americans line up against cutbacks in Federal programs in the fields of health and education.

In summary I would say that what we will see happening if these cuts go through will be the loss of particularly high cost special programs, particularly vocational education that require high equipment cost, low class size because of the use of facilities, et cetera. We will find that special programs for those special students with special needs will go. In my own county of Fairfax, we have some 45 to 50 different language problems that we need to deal with, plus the problem of large numbers of immigrant students who have come in in recent years from several different nationalities.

We will find in the State of Virginia that the cost of the school lunch will become either prohibitive or go out of existence. We will find that teacher salaries that on a national average some 6 years ago ranked 24th and have now dropped to 32d will continue to drop even further, and we will find that teachers are laid off.

We must avoid some of these devastating effects. We cannot manage to deal with these.

Mr. Chairman, I have one other item to bring to your attention. I have been asked by the Virginia Council of Parents and Teachers to present a letter from their president, Mrs. Lofton H. Alley to you and I have presented a copy to the clerk. I would not read the whole letter to you except the last two paragraphs that I think summarize the position of the Virginia Council of Parents and Teachers.

> We believe that the proposed cuts, combined with the proposed tuition tax credit legislation——

Chairman **Perkins**. Without objection, it will be inserted in the record in its entirety. Go ahead.

Mr. **Mika**. Thank you, sir.

> That the tuition tax credit legislation are in fact almost a declaration of war on public education as we know it. These cuts ignore an obvious fact, that an increase in local and State taxes will be necessary to replace those funds lost. The burden will fall on those already overtaxed and overburdened middle income taxpayers.

The Virginia PTA believes this Nation can find a solution to the economic problems of high inflaton, high interest rates, high energy costs, and high unemployment which will not create an unfair hardship on any one sector of the economy.

[The letter referred to above follows:]

Virginia Congress of Parents & Teachers,
Richmond, Va., March 9, 1981.

Hon. Carl D. Perkins,
Chairman, Education and Labor Committee, Rayburn House Office Building, Washington, D.C.

Dear Mr. Perkins: The Virginia PTA, along with numerous other organizations, is concerned with the problems facing our country today.

Our study of many of the proposals currently being made public leads us to believe they may not strengthen the economy but would in fact be far more destructive than constructive. We would, of course, be most willing to share in any fair and equitable belt-tightening deemed necessary, and we feel that all spending programs should be reviewed periodically to ensure a strong economy. However, we feel that education is being asked to absorb budget cuts that are disproportionate to other proposed cuts in the budget.

The administration's budget for fiscal 1982 for public elementary and secondary schools proposes to reduce federal funding from 10.8 billion dollars to 7.4 billion dollars. This 3.4 billion reduction represents a 32 percent reduction which is proportionately greater than for any other cabinet level department in the federal government. These figures do not represent other education-related cuts such as those in the school lunch program, middle-income student assistance loan programs, or impact aid. For example, in impact aid, the proposal to reduce funds from 740 million to 266 million represents a 64 percent decrease and would mean that of the 3900 school districts now receiving impact aid funds, only 350 would continue to receive these funds.

We believe that the proposed cuts combined with the proposed tuition tax credit legislation are in fact almost a declaration of war on public education as we know it. These cuts ignore an obvious fact that an increase in local and state taxes will be necessary to replace those funds lost. The burden will fall on those already overtaxed and over-burdened middle-income tax payers.

The Virginia PTA believes this nation can find a solution to the economic problems of high inflation, high interest rates, high energy costs and high unemployment which will not create an unfair hardship on any one sector of the economy.

Sincerely,

Mrs. Lofton H. Alley, *President.*

Chairman **Perkins**. Thank you very much.

Our next witness is Mr. Ron Boeth, from Missouri. Go ahead.

STATEMENT OF RONALD E. BOETH, PRESIDENT, MISSOURI NATIONAL EDUCATION ASSOCIATION

Mr. **Boeth**. My name is Ron Boeth, president of the Missouri affiliate of the National Education Association.

I would like to preface my comments today by indicating that Missouri schools stand to lose categorical aid in excess of $50,775,000 and school lunch support in excess of $29.5 million if the President's budget is accepted.

To put this measure in proper perspective, one needs to understand two unique measures that place severe financial restraints on the growth of State and local support for education in Missouri. Locally, support for Missouri's schools comes from the property tax. To increase revenue from this source, a two-thirds super-majority vote of the public must be achieved.

Two months ago, in the Pattonville school district, where I teach, the school district submitted a 37-cent tax increase proposal to its voters; 65.87 percent of the voters in our district supported the increase; 34.1 percent opposed it. And the tax levy was defeated by 21 votes. Mr. Chairman, in the State of Missouri the growth of local revenue to support schools is severely limited.

The second major funding source for Missouri's schools is the State government. Missouri ranks 14th in the Nation in total personal income, while ranking 50th nationwide in the percent of personal income expended for our public schools. Despite this low ranking, the voters of the State of Missouri approved on November 4, 1980, an amendment now called the Hancock amendment, which is designed to limit the growth of State revenue beyond a certain floating ceiling. If State revenues exceed that ceiling, the excess must be returned to the voters.

Second, Hancock restricts the legislature from ratifying any legislation that has cost implications for local jurisdictions. And third, the Hancock amendment requires voter approval for any increase in fees or licenses charged by a local or State jurisdiction. Thus, as an example, Missouri school districts must submit to the voters any increase in the cost of school lunches for its students.

In reality, education funding in Missouri has a local cap because of the two-thirds requirement. It has a State cap because of the limited revenue provisions of Hancock. Now we have been asked to shoulder another burden in education funding, a $50 million decrease in Federal support for categorical aids. I ask you, with the impact of the local tax lid and the State revenue lid, where will we come up with the additional $51 million that the proposed Federal reduction would have?

I would like to continue my comments by speaking to two specific programs. As I understand the Reagan budget cut, impact aid would be reduced as follows: All the category B aid would be eliminated and aid to category A would be funded only in the districts that had an excess of 20 percent of its students as category A types.

Presently, more than 150 school districts in Missouri receive sizable portions of impact aid. In our analysis, the Reagan proposal would reduce that number to less than 10 districts.

When school districts have within their boundaries federally owned nontaxed institutions, it becomes imperative that the Federal Government replace that lost tax revenue with support through impact aid. I would also like to indicate to you that impact aid is one of the few Federal aid programs that come with no strings attached. It is not really categorical in nature. It can be used, as an example, to help us increase the tragically low level of teacher salaries in Missouri.

It is estimated that aid for the public school lunch program will be reduced by $29.5 million in Missouri. The program as proposed will provide free lunches to only the truly needy. Additionally, it would eliminate all of the reduced lunch programs, and as I understand it would eliminate the other Federal lunch supports, such as food, milk, and special commodities.

If you combine the impact of the school lunch program reduction with the impact of the Hancock amendment, which I spoke to a few moments ago, you would immediately recognize that every school district in the State of Missouri is now going to be required to take to the vote the people a referendum on whether or not they wish to increase the cost of their school lunches.

By the way, it has been conservatively estimated that the cost of the school lunch program will double if the Reagan proposal is accepted. Many of the parents will certainly decide not to pay for the cost of the school lunch program and will send brown bag-type lunches with their children. The result will be reduced student participation in type A lunches, reduced nutritional intake for students, and, very honestly, we are expecting many schools to literally opt out of the type A school lunch program.

In closing, you can see that we face very difficult problems in education in the State of Missouri. Local sources of revenue for schools have been capped, State revenues have a ceiling, and now the Federal Government is proposing withdrawing $50 million in support of categorical aid and $29.5 million in support of the school lunch program. It is our belief that this will severely impact our ability to provide quality education and to attract and retain quality teachers in our schools.

Thank you very much.

Chairman PERKINS. Thank you for a good statement.

We're glad to welcome you here, Mr. Smith, president of the Illinois Education Association. Will you proceed?

STATEMENT OF MELVIN SMITH, PRESIDENT, ILLINOIS EDUCATION ASSOCIATION

Mr. SMITH. Thank you, Mr. Chairman. It's indeed a pleasure to be here. I am Mel Smith, president of the largest teachers union in Illinois, the affiliate of the National Education Association.

I have had the distinct displeasure over the last 2 weeks of witnessing the demoralizing impact on teachers, administrators, parents, and students as they look at the potential cuts put forth by the Reagan administration. The President's approach clearly is not evenhanded, nor is it fair across the board, as he would like to have us believe in his news releases.

I think the best item points out Reagan's program is TNT. The truly needy test, if you're truly needy, is cut it. The cuts in education serve as a warning to the poor, the hungry, the disabled, those hampered by both educational and physical handicaps, and that warning is that the 1980's will herald the time when the help ends. The 1980's will herald the time, if the Reagan approach succeeds, of Government choosing to ignore the needs of the needy and the need of an educational system nationwide.

Your heartened efforts, and we certainly appreciate it in Illinois, as I know everyone at this table and across the country, has been in dedication to America's children, in that we are colleagues in an exciting venture of trying to carry forth that most important goal of educating the children all across this country.

Unfortunately, proper and full education are certainly not the hallmarks of the Reagan budget cuts. Over $135 million will be taken from Illinois schools alone. Sixty million dollars will be axed from the school lunch program in Illinois, a program which, of course, you helped secure and which has moved us to a time where we can see hunger leaving the classroom and being replaced with adequate nutrition so students can go forth with their education.

As a consumer education and economics teacher in Elgin, I know the value of that school lunch program from deep personal experience. I have had students who, if they had not had the access to that one hot meal which the program provides, would not have eaten all day, due to the economic plight of their family situation. There are children who depend on all of us, literally, to get them through the day and to help them get the education they so desperately need. For them, Reagan economics means back to the street for the kind of education that means problems, not progress, for society.

Scores of studies have been done on the inability of a hungry child to learn. The results are always negative. No child can concentrate when hunger takes over. The school lunch program is small but a very effective way to insure that these students get at least a chance at achieving success.

In my own school district, Elgin, Ill., in 1979 and 1980, the subsidies for the lunch and milk Federal programs were $700,000 and served 6,500 children every day. If the school lunch programs are cut—the cuts are enacted—most of those children will go hungry. Moreover, those cuts could cost as much as $800 a year to parents who can ill afford to pay. This certainly would negate the President's design for the middle class reinvestment of savings.

The Government also assists in the Elgin schools, by example, to the tune of $1,281,000 in other programs, such as title I, IV-B, IV-C, and title III. All these put special emphasis on special children—children who will not have the opportunities to pursue vocational education, learn how to read, or have the crucial benefits of special treatment due to their special handicaps. The Reagan cuts will have even further damaging effects on these and similarly situated children all across the Nation.

Reading is our fundamental basis for learning. Cut the existing programs and the poor reader becomes a dropout. Libraries are the natural and necessary extension of reading and an acquisition of knowledge. Again, in Elgin, the entire school library system could be wiped out by the cuts proposed by President Reagan. Special education assistance for handicapped students will also be severely curtailed if President Reagan's program gains passage by Congress.

Children who need the utmost in individualized instruction will be forced to compete unfairly with others who have no handicaps. Children in wheelchairs, those with mobility problems, and those who cannot see or hear will be forced to go it alone in a system that has prided itself in helping those children.

Elgin has the second-highest refugee population in Illinois, behind Chicago. Most of the children now are Indochinese, with some of Hispanic background. The extensive bilingual program has provided a superb program to bringing these people into our country and into the mainstream of American society. I think it's interesting, and I'm sure General Haig would talk about taking care of the people that were punished in these sorts of situations and need the open doors to come. They are now here and we're going to take away the very bilingual program which we have welcomed these people to our shores and indicated we would provide.

The President's new federalism has decreed that most of what Washington is doing now should be left up to local options and locally financed programs. As the other State presidents have pointed out, the new federalism, as least as it applies to Elgin, Ill., and elsewhere, would mean that the local property taxpayer would be asked to increase their own burden—in other words, to raise the most regressive tax of all in order to meet the removal of these Federal funds.

That reduction in Elgin of 25 percent from the Federal assistance to schoolchildren would call for a hefty $8.09 hike in local property taxes and I must say, regrettably, three school tax referenda were defeated in the last three times out, and I have no way to believe that because President Reagan might urge people to pick up that local burden that that's how they would vote on a Saturday afternoon.

The Reagan cuts will create havoc throughout Illinois' public school systems. Not only will the nutritional lunch be cut for the diets of the poor children, inhibiting their ability to learn, but every student, regardless of his parents' economic condition, will be hurt by academic cuts which will prevent the purchasing of up-to-date materials and periodicals for libraries, or cut programs for the gifted who have been one of the sole basis for advancement of our country. Students will not only be denied the vocational training to compete in the market where unemployment is on the rise, but will find that courses which would have prepared them for college have also vanished.

The only equity shown in proposed cuts is that all students will be shut out and hampered in their pursuit of educational goals. The distinct education problems of our large urban centers and the needs that children of coal miners in southern Illinois will all be adversely affected with the Reagan cuts. The attack on education leaves no area undamaged and every child attending public schools who faces the loss of a vital program will be instilled with the feeling that the Federal Government no longer cares about education.

Mr. Chairman, the 57,000 members of the Illinois Education Association, NEA, implore you to take these messages back to the Hill. We believe in the great process that makes it possible for those of us who perceive a problem in the schools of our Nation to be able to send critical messages to those we elect and have them respond accordingly. We support your ongoing help to the children we teach and serve, and we urge you and your colleagues to keep all Federal education assistance intact.

Further, we must build education together. It is the foundation for our democracy and cannot be replaced by any other institution.

I thank you.

Chairman PERKINS. Mr. Smith, what would happen to your vocational educational program in the State of Illinois, assuming that the President's proposal went through the Congress cutting the program by 25 percent?

Mr. SMITH. Well, it's an immediate direct impact of about $13 million to that program in the whole State. And it would seriously debilitate it. We are—when you look at the total dollars of about $175 million and the kinds of programs we've been able to put in with the VoTech programs, it would just——

Chairman PERKINS. Do you think President Reagan would be able to revive the economy as he talks about?

Mr. SMITH. No, sir.

Chairman PERKINS. What do you think about it? I'll ask the President of the Indiana Teachers' Association. Go ahead.

Ms. AFFELDT. We'd experience the same difficulty. We're talking about cutting at the core of how we build an economy and that is by providing the human resources first.

Chairman PERKINS. And what do you think about it?

Mr. BOETH. Well, I would concur in that totally. I don't have the specific dollar figures that would impact Missouri, but it would certainly limit the ability of us to continue to expand and instruct people in that specific type of an area.

Chairman PERKINS. What would be the effect in your State, Mr. Kersey?

Mr. KERSEY. About, at this point as best we can determine, $4.1 million. And particularly hardhit in Tennessee would be those areas of the State other than the urban areas. The areas of east Tennessee in the Appalachian area the vocational program has been particularly helpful to those young people, so we are particularly concerned about that.

Chairman **Perkins**. Well, if you cut back on the training programs, do you see any way that the economy is going to revive or that anybody else is going to pick up this tab? Will the State do it, or will the local districts do it, or will anybody do it?

Mr. **Kersey**. Well, I think one thing we've all alluded to up here this afternoon is that the idea of cutting Government spending is not something that's restricted to Washington, and we're running across the same philosophy at the local level and at the State level. So, no, I don't see the tab being picked up, certainly not willingly, until people suffer mightily. And I think that a lot of the people in our State do not understand the impact that the cuts are going to have and that it's going to take a couple of years for them to realize that, if they go through.

Chairman **Perkins**. Do you see more unemployment insurance being paid out in your area if this proposal was to go through?

Ms. **Affeldt**. The loss of teacher jobs in Indiana has offered the evidence. It's going to happen.

Chairman **Perkins**. What's your idea?

Mr. **Boeth**. Very definitely. I think the type of reduction we're talking about in Missouri is going to have a significant impact on the dropout rate—I hate to call it that—of teachers from the profession. And it is going to very definitely increase the amount of unemployment compensation.

Chairman **Perkins**. And you don't see Mr. Reagan reviving the economy?

Mr. **Boeth**. Not with this process.

Chairman **Perkins**. Do you have anything to say from Virginia?

Mr. **Mika**. Well, Mr. Chairman, I would have to agree that we're going to have some real problems.

I would like to comment on the vocational area. For Virginia we believe it would be about $18 million loss of vocational education, and I comment also that Mr. Kersey mentioned about the Appalachian areas. With the cuts in that program on top of it, if anything is pulled together, the educational community in Virginia these cuts have—our superintendents have not often reacted to the education association, but when we indicated our concern we received reports within 2 days from some of our rural districts that they were really worried about the vocational program in effect going down the drain.

Virginia is not a particularly good State, by the way, on unemployment insurance, and that would be a major problem in several areas of our State.

Chairman **Perkins**. Well, let me ask you how you feel about the school lunch program, assuming that it was cut back 43 percent—Mr. Reagan's proposal. Go on, way across the panel there.

Mr. **Boeth**. Well, again, as I indicated in my testimony itself, I think that is probably one of the most damaging parts of the entire package. Children just don't learn if they are hungry and the definition of truly needy, as the President has given it—well, it's really undefined at this particular point in time, as far as I can tell—the reduced lunch program is a very important part of the total package. And I think it would be very helpful if we can continue it.

Chairman **Perkins**. Go ahead.

Ms. **Affeldt**. If the costs jump upward for the majority of the program participants we can predict that they will no longer participate.

The only participants left are those who eat at reduced cost, and free lunch recipients. We can predict that in Indiana numerous schools will shut down school lunch programs totally.

Chairman **Perkins**. To what extent will Illinois' school lunch program, the regular program, be cut back if these go into effect?

Mr. **Smith**. The nutrition—just the nutrition program is $60 million, and you're going to take areas—there are several that don't have programs because they are walk-on—we have 1,100 school districts. They don't have that.

But you get into the larger school districts in urban areas and that's going to just destroy the program. And those students won't be eating. They will just be going hungry.

Chairman **Perkins**. Will a lot of school lunchrooms fold up in your area, Mr. Preston?

Mr. **Preston**. They'll have to. There is just no way. They are already operating on tight budgets. I'm in a school right now where 77 percent of the children are on free lunch, compared to a system that has a 37-percent level. These children happen to all be trainable, severely or profoundly retarded, so not only do we provide them free lunch but in many cases we in fact feed those youngsters.

I'm particularly concerned about the relationship of the free lunch program and the severely handicapped children who are going to be receiving a double cut because of the proposed reductions in special education funding.

Chairman **Perkins**. It takes the regular lunch program, does it, to support the free and reduced price lunch program, to give it stability?

Mr. **Kersey**. Certainly.

Chairman **Perkins**. What will be the effect in Virginia?

Mr. **Mika**. Mr. Chairman, I would have to agree with everything that's been said. I think the same thing would happen in Virginia.

I would comment on two other areas regarding that. My experience, and one of the reasons that the school lunch program seems to come in for so much criticism, is that there is abuse of the program. My experience has been that a lot of students who deserve free lunches do not take them primarily out of embarrassment of the fact of having to have them. So that I do not see that measure of use there.

Second, the nutrition problem, particularly something that we're finding, is that with so many working mothers today it is one of the few meals that children can rely on from all levels of homes that can be balanced. And that is a real problem.

Chairman **Perkins**. We're all strong on defense and Mr. Reagan is strong on defense, but the effect of this proposal would be to weaken defense, just like during World War II when so many draftees were rejected because of malnutrition. And that was one of the real purposes of the school lunch program. Do you agree with me?

Mr. **Mika**. Very much so. I think the statistics have found, Mr. Chairman, that many of our middle class children border on malnutrition now because of the improper diets that they have and junk food. And the school lunch program is one of the few programs that goes against that trend.

Chairman Perkins. Let's let the lady answer that question, too.

Ms. Affeldt. I appreciate your pointing out the history of how we came to have that program. It's one of those things that we all have lived with and so we believe that's the way the world is, and when you rip it away you've got to go through the wrenching experience of what life is like to deal with kids in the classroom who are hungry.

We see the edges of that problem now with some children who truly can't participate, but it would hit us massively in some school systems in Indiana where the majority of kids are on free lunches right now or the majority of the kids are on subsidized lunches.

Chairman Perkins. Mr. Hawkins, go ahead.

Mr. Hawkins. I think, again, this panel has been a very excellent one, Mr. Chairman. They left very few questions that need to be answered. One clarification, however, I would like to obtain from Mr. Marec in terms of his testimony.

Mr. Marec, on page 2 of your testimony you indicated that nationwide 64,460 teaching jobs will be lost and then you said that if the administration's contemplated rescission for 1981 goes into effect these figures will double. That seems to be a very substantial number.

Mr. Marec. We would actually be talking more about 110,000 teaching jobs, which is a very significant amount of people.

Mr. Hawkins. Is that from which programs? Does that include, for example, those that would be maybe lost to impact aid, school lunch, vocational education and the other programs? I was wondering which ones are included.

Mr. Marec. As far as I know all those programs.

Mr. Hawkins. All of the programs are included. It is based on an AFT Department of Research study and I was wondering if that study could be made available to the committee.

Mr. Marec. Yes, I'm sure it can.

Mr. Hawkins. I would so request, Mr. Chairman, if that is possible.

You also indicated that in February of this year 260 teachers were laid off, I think you said, in 1 particular——

Mr. Marec. Yes. The Cleveland School District.

Mr. Hawkins. The Cleveland School District. What was the cause of that particular layoff?

Mr. Marec. The Cleveland City School District at the present time is projecting a $45 million deficit.

Mr. Hawkins. That has nothing to do, then—is not directly related to the further losses that would take place in this——

Mr. Marec. No. That was beyond that. That would be beyond that.

Mr. Hawkins. Purely a local situation?

Mr. Marec. Well, not really, because some of the problems in dealing with the creation of that budget, due to various Federal and State mandates, especially as they pertain to areas such as desegregation.

Mr. **Hawkins**. Then they generally say that the loss in personnel referred to in the study is rather conservative.

Mr. **Marec**. Yes, it is.

Mr. **Hawkins**. Thank you.

Chairman **Perkins**. Do you want to respond more to the question that I asked? Assuming these cutbacks went through what would be the effect in your State?

Mr. **Marec**. Your question of food nutrition?

Chairman **Perkins**. Yes, school nutrition and vocational education. Would the economy be revitalized as Mr. Reagan wants to revitalize it?

Mr. **Marec**. Well, basically I think in our testimony I agree with everyone else that it will not be revitalization of the economy. If anything it looks like a blueprint for disaster. I think what the President has projected is based on some rather interesting economic theories which, if he gets his way, we may be able to see if they do work. But I'd rather not.

There are the same kind of problems in Ohio——

Chairman **Perkins**. You see more unemployment insurance being passed out?

Mr. **Marec**. Definitely. And Ohio's unemployment insurance is one of the best in the country, but already they are starting to project difficulties in that fund just because we are basically a very heavy industry State.

Chairman **Perkins**. Mr. Kildee.

Mr. **Kildee**. Well, I obviously am in agreement with you. I think these are the most outrageous budget cuts that I've ever seen proposed in my 17 years in public service.

I served on the Appropriations Committee in the Michigan Legislature. After the oil embargo in 1974 we had to go back and cut our budget after we had already appropriated the money. It was done with agony, with care, with precision.

It looks like the administration run this budget through a computer, hit an empty data bank, and so justified their bottom line. They needed to cut so many dollars out of that budget. They took a disproportionate share of this cut from education. And remember this, that under their flag of fiscal responsibility is a philosophical flag, too, regarding public education. Remember that.

They don't have the commitment that the other members of the committee and I have to public education. That scares me. I came to these committee hearings because I wanted to arm myself with more facts so I can go back and help Chairman Perkins convince the House Budget Committee of the outrageous things that Messrs. Reagan and Stockman are trying to do to education.

They're going to succeed unless we block them. They are going to do it unless you give us help to block them. That means going out to the parents, the teachers, and the students to let them know what the effects of these cuts are. We're beginning to have some breakthrough. I think these hearings historically are the beginning of that breakthrough of knowledge of what these cuts will do to education.

We have a short time, however, and you have to get out and really spread that message and get the teachers, the parents, and the students informing their Representatives in Congress. Because my mail yet is 10-to-1 in favor of supporting all of the President's cuts. Let people know what those cuts are, that you have a moral obligation to do it. You've done part of your job here in an excellent manner. Now those three groups that you touch very intimately—teachers, parents, and students—must be informed.

That's all, Mr. Chairman.

Chairman. **Perkins**. Let me thank the entire panel for your help. You've been most helpful to us.

Mr. LeMaster, Dr. Mallory and the rest of you that are here.

Dr. Adams, Mr. Jenkins, Mr. Sorenson, Mr. Hull, Ms. McClure, Dr. Dickerson, Dr. Fred Thornton—the group of you come on up here and we'll get the rest of you in a few minutes. We've got a lot of other names.

All right. Let me welcome all you gentlemen here. Now is this all we've got here right now in this panel?

Dr. Adams, Mr. Jenkins, Mr. Sorenson, Mr. LeMaster, Dr. Mallory, Mr. Hull, Ms. McClure, Dr. Dickerson, and Dr. Thornton. Is Dr. Thornton here? All right.

Yeah, Dr. Mallory is here, and Mr. LeMaster is here.

Mr. **Kildee**. I'd like to personally welcome Dr. Mallory, who is a constituent of mine and a long-time adviser to me in education matters. I think as long as I have been in the Michigan Legislature and in Congress he's been one of my advisers and one of Michigan's great pioneers in vocational education and education in general.

He's taken time out of his very busy schedule to come down here to Kentucky from Michigan to testify and I appreciate it very much.

Chairman **Perkins**. You know, we all are indebted to you for sending a gentleman to Washington like Congressman Kildee. He's really on the job all the time representing you people and he stands for the right thing. He always wants to do the right thing in the national interest, of this country.

Dr. **Mallory**. Yes; I worked very hard getting Congressman Kildee there.

Chairman **Perkins**. All right. We'll let you testify first, since you've worked hard for him. All right, identify yourself for the record.

STATEMENT OF ALVA E. MALLORY, DIRECTOR OF INSTRUCTION AND VOCATIONAL EDUCATION, GENESEE INTERMEDIATE SCHOOL DISTRICT, MICHIGAN

Dr. **Mallory**. Thank you, Mr. Chairman, my Congressman, Dale Kildee, and members of the committee, I am Alva E. Mallory, director of instruction and vocational education for the Genesee Intermediate School District. I am also representing the views of Michigan Occupational Education Association.

The Genesee Intermediate School District is a regional educational agency serving 21 school districts in Genesee County with an overall K-12 enrollment of 106,000 students in our service area. The Genesee Intermediate School District coordinates vocational education program offerings for all its constituent districts, including the Genesee Area Skill Center; the vocational education data system, which we call VEDS; the high school graduate followup studies; vocational education needs assessment—we're conducting one right now, a very extensive one—and the State added-cost funding for vocational education for those 21 districts.

The Genesee Area School District contracts with the Flint community schools for the operation of the Genesee Area Skill Center, which provides 32 vocational education program offerings and is currently serving 2,100 students in the regular daytime program and 4,000 adults from 6 to 10 in the evening. We also administer the CETA Youth Employment Program and all transitional services related to that, including the summer set program and the YCCIP programs in the county.

As I am sure Congressman Dale Kildee has made you aware, Flint, Mich., is an automotive manufacturing city and is one of the highest unemployment cities in the United States. A recent report showed that 8,000 unemployed automotive workers were seeking retraining and employment counseling at C. S. Mott Community College. In fact they were just in my office last week finding out if they could get some more help and more service.

Because of limited funds, only a fraction of these people receive the comprehensive program of services. These services are provided right now by our vocational education CETA linkage grant that we have serving our community. A recent report presented by Dr. Richard Donnelly, general plant manager for Chevrolet manufacturing, clearly illustrated the future of the automotive employment situation for Flint, Mich. General Motors expects a comeback from the recession, but that comeback will never reach the high employment level of the past.

"Why not?" you may ask. General Motors is in the process of investing billions of dollars in new plants, renovating the old plants, downsizing, retooling, and, probably the most important thing here as far as vocational education is concerned, is robotizing in an effort to meet the automotive competition abroad.

To accomplish this, it is imperative that the unemployed be retrained, the youth training programs be implemented so that they are prepared—what we like to call the reindustrialization of America, especially Flint, Mich. The reindustrialization will require a more highly skilled work force to meet the new technological skills required to be productive in the 1980's.

The Genesee Area Skill Center, which is typical of most vocational education centers across the country, was designed, constructed, and equipped to meet the work force needs of the 1970's. It is not equipped to meet the changing technological needs of the 1980's.

Retooling and equipment to meet the needs of the robotized industry is needed now. Additional Federal dollars, not less, as the Reagan administration has presented, are needed to meet this challenge. By cutting vocational education funding it would weaken the capability of recovering from the economic recession because vocational education would not be in a position to respond to our community's needs.

Vocational educators across our State and our Nation are depending on the Congress of the United States to help us in meeting these challenges. In a recent study published by W. E. Upjohn Institute for Employment Research in Kalamazoo, Mich.—this is quite a research industry—Pierson writes "Revamping vocational education and employment and training programs is part of the answer to lowering the jobless rate without increasing inflation." That is the key.

The report also said that "Expanding vocational education to include a wider range of emerging occupations and strengthening those lacking in remedial education skills." The report went on to say that "Improving vocational education services to a wider range of students, and focusing on CETA, on the most disadvantaged youth, should be a top Government priority."

I have heard Congressman Dale Kildee and possibly even the President of the United States talk about the reindustrialization of America. Flint, Mich., is ready and waiting on the threshold of this reindustrialization, which means to us economic development. I believe that when vocational education is a part of the strategy, economic development means jobs. The Michigan Department of Education Division of Vocational-Technical Services also believes that vocational education can play a vital role in the economic recovery, because they have included this important component in the Michigan State plan for vocational education. This plan would insure any industry, new or expanding, in Michigan a trained work force for their business or industry.

However, there's a catch. To make this plan work, Federal dollars are needed for quick startup costs. There are hundreds of different and unique jobs that go unfilled each year because no one is trained or has the qualifications to fill the job, even in a time when high unemployment in our area is at an all-time high.

This problem exists because there is no way to quickly implement a program on a cost-benefit basis to meet these needs. Funding needs to be made available through the State to quickly respond to a training need that exists in a particular community. These contracts could be developed with business or industry to meet the unique training needs.

Just briefly a few comments on the school lunch program, which I also have responsibility for. The intent of the National School Lunch Program is to provide nutritious meals for children. With the proposed legislation of eliminating commodities and reimbursement for the paying child, many districts will eliminate all feeding programs or be forced to charge a student about 40 cents more in our area. This is about a 50-percent increase in meal charges.

Rather than eliminate funding for the paying child, we ask you to consider the following areas for reduction in the child nutrition program budget—I hate to suggest possible changes, but we thought this was a better solution than to say just don't cut—eliminate profit making child care centers receiving title XX funds from eligibility in the child care food program; freeze commodity guarantees at current levels; eliminate special milk reimbursement at schools, child care centers, and residential institutions; eliminate funding for summer feeding programs.

If family day care home participation in the child care food program is continued, the reimbursement structure and income eligibility requirements should be consistent with school lunch and breakfast programs.

I hope none of them have to be implemented, but those are kind of our priorities if something has to be cut.

Therefore, I ask you to support the continuation of the child nutrition programs because for many children this is their only balanced meal.

I could go on to list the impacts that these cuts would have on our vocational education programs. Overall, in Michigan, we anticipate that about $86 to $100 million would be lost in revenues to support our educational programs throughout the State. In Genesee County this is interpreted to about $5 to $6 million. In vocational education it's about a half million. It would mean a cutback of about 50 percent of our special needs and the kids that probably need it the worst—the disadvantaged—because of the high cost of running those programs where we are getting the special help from the Federal funds now.

So, once again, as I heard several people mention before, you know, it's the poor, the most needy, that get hurt the worst.

I sincerely appreciate this opportunity to express my views on behalf of vocational educators in the State of Michigan on how the Federal Government can help us reindustrialize Michigan, not in how we can cripple us. Thank you.

Chairman **Perkins**. Thank you very much for a very beneficial statement.

Dr. RichardAdams is he here?

Dr. **Adams**. Yes.

Chairman **Perkins**. All right. Go ahead, Dr. Adams.

[The prepared statement of Richard Adams follows:]

PREPARED STATEMENT OF DR. RICHARD N. ADAMS, SUPERINTENDENT, UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT, PIQUA, OHIO

Vocational education programs prepared workers for America's employers. Training is provided in local educational institutions under the direction of locally elected Boards of Education, with the advice of community employers. Vocational education is the only national delivery system, which is a partnership arrangement among the federal, state and local government, along with employers, which provides people with skills for employment in the private sector. Entry skills and upgrading are provided efficiently and economically.

The network of vocational education is in place and ready to address our national emergency of double digit inflation and declining productivity. There are more than 18,000 secondary and post-secondary vocational education institutions throughout the nation, with more than 350,000 skilled vocational instructors, counselors, and job placement specialists. This system is available to function in the training and retraining of skilled workers to increase our nation's productivity, to improve competition with countries overseas, and to fully staff industries that are facing critical manpower shortages, even in the face of high unemployment. Vocational education can convert through career assessment, career counseling, attitude improvement, education for job competence, skill development and job placement services, unemployed persons into productive workers.

An example of what can be done with adequate resources is the programming being conducted at the Upper Valley Joint Vocational School District near Piqua, Ohio. The modern educational facility housing equipment found at employers is operating fourteen hours a day, and is open six days per week on an annual basis. The facility and equipment were provided cooperatively by the State of Ohio and the local voters, who passed a levy to finance the project.

During the daytime, almost eleven hundred high school students are preparing for a position upon high school graduation, in one of thirty-two courses of study. At 3:30 another shift of faculty members arrive at the campus, along with over two thousand adults, who are majoring in a vocational education program in preparation for a job or a better job. At 10:30, a maintenance staff prepares the building for the following day of instruction.

High school and adult education students receive career assessment evaluations; vocational guidance counseling; remediation in English and mathematics, if needed;

attitude, and leadership development; technical instruction related to the occupation; manipulative skill development; and job placement services.

In addition, the Upper Valley Joint Vocational School works very closely with area employers. One full-time staff member is working with the operators of thirty-two small businesses, providing them with management and accounting consultative services. Two other staff members are working with over one hundred farm operator families, providing them with management and accounting consultative services. Another staff member is working with twenty-eight small industries, serving as the Training Director for each one of them. This is a pilot project in the State of Ohio to help operators of small industries to have a person to function as a Training Director on a part-time basis to diagnose training needs, prescribe training programs, monitor the training program, and assess the results.

The Upper Valley Joint Vocational School has many vocational training contract services available to area employers. For $19.00 per instructional hour, the Joint Vocational School staff will design and operate seminars, workshops, and other training programs for employers to upgrade, retrain, or prepare workers.

An example of this service is what is called the Monarch Plan. Monarch, a large company manufacturing lathes, was facing a shortage of skilled machinists. The company advertised for persons interested in a training scholarship at the Joint Vocational School. The persons responding to the ad were given career assessment and career counseling. Those who wanted to become machinists were given mathematics, blueprint reading, and related instruction. Manipulation skills were developed in the modern Machine Trades laboratory at the school. Upon the completion of the program, Monarch had a cadre of trained machinists to meet their employment needs, and the people completing the program had good jobs.

The Upper Valley Joint Vocational School staff members are involved in job development. Faculty members work closely with area Chambers of Commerce in the attraction of new employers to the community and encouragement of existing companies to expand.

Almost three hundred practitioners serve on advisory committees at the Joint Vocational School to insure that the instruction is on target in providing persons with the skills needed for employment.

The success of this comprehensive vocational education delivery system is threatened by a potential cut in federal funding. The proposed 25 percent cut in federal dollars for vocational education would greatly diminish the ability of the Joint Vocational School to prepare youth and adults for existing jobs. It would greatly retard the Joint Vocational Schools' involvement in industrial development. I strongly oppose the rescinding of any funds in the current appropriations.

In addition, new legislation should include adequate finances for the continued and expanded operation of the national vocational education delivery system. New legislation on manpower development should identify vocational education as the delivery system for training. In addition, I would ask that restrictive planning and reporting requirements of the federal government be removed, which will allow more time and money for job training.

Finally, at the Upper Valley Joint Vocational School, we are actively involved in providing vocational education for the handicapped and disadvantaged persons in our community. This is important and it should be continued. However, the federal government should expand federal support for other persons in addition to those who are handicapped and/or disadvantaged, as we prepare the workers through vocational education to rebuild our industrial and economic strength.

STATEMENT OF DR. RICHARD ADAMS, SUPERINTENDENT, UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO

Dr. Adams. Thank you for the opportunity. I bring the committee members and the chairman greetings from the State of Ohio. I'm here today to share with you our opposition to the $156 million cut proposed by the administration. We are also opposed to any funds being rescinded. And we would support the reduction of restrictive Federal planning and reporting requirements. We would also support proposals which have been made for economic revitalization.

As an example, the acceleration of the depreciation allowances may well encourage industry to invest in modern equipment. However, that's going to mean more skilled workers are needed. It's also going to mean that there will be some current employees who will need retraining.

Companies are concerned with the problem now of finding skilled workers and they end up retraining current employees. I have with me here today two employers from our area and I could have brought many more to indicate the need for a strong vocational education delivery system to promote a strong economy.

Vocational education with Federal funding is helping disadvantaged persons, handicapped persons, and limited English-speaking persons become employable. On our campus, which, by the way, serves 14 participating school districts, we had last year 23 disadvantaged students in our high school programing. This year we have 44. Next year we have 83 enrolled. And it is with the Federal support that we are able to move in providing services to a larger number of persons.

We have English as a second language program where we are helping migrant workers become employable. The only way we can operate that program is through the Federal support which we receive.

We are providing other services which utilize Federal funding—services like job placement and transition services between vocational education and employment. On the other end, before they start training programs we have career assessment to enable persons to determine what they would like to do. We are able to predict with a high degree of accuracy through our assessment center, which was put into place through Federal funds, the sort of occupations that a man or woman would like to pursue. We find that we're doing a lot of work with persons in their early thirties who, up to this point in time, have not had a good job or perhaps they've been underemployed.

We offer vocational counseling. We have students on individualized educational plans. We have some 3,000 adult students involved on slotting-in-slotting-out. By that I mean they begin their programing and as soon as they are ready for employment, they have finished the program and through job placement they are employed in the private sector.

We have been able to develop modular competency-based instructional programs so that we are on target in terms of the kinds of skills, attitudes, and abilities employers need.

We have been involved, through some Federal encouragement, Federal support, Federal funds, in providing equity in vocational education for blacks, women, disadvantaged persons, handicapped persons, older Americans, and non-English-speaking Americans.

Vocational education is the only national delivery system where we have Federal, State, and local cooperation and coordination. There can be no economic recovery without a continuation, indeed an expansion, of Federal support of job training through the vocational education delivery system. We must have skilled workers and vocational education is the most economical and effective way to prepare them.

Cutting Federal dollars will clearly damage vocational education capabilities. As we have seen, Federal dollars—I mean real Federal dollars factored for inflation—decreased, we find that state and local funds have not been available to make up the difference.

Now the programs we offer on our campus directly benefit the revitalization of our economy in western Ohio. We have programs—one of my associates is working with 32 operators of small businesses and we are providing those folks with consultative services in the area of accounting and management. Two of my associates are working with farmers. We're working with over 100 farm families and providing them with accounting and management consultative services.

We're starting a new program as a prototype for the State of Ohio. We expect at this point it's going to be successful and will be replicated in many other locations. We call it the industrial training program where one of my associates serves as the training director for 28 small companies. And none of these companies are really large enough to justify their own training director. With this person working with them, 28 companies are able to diagnose their training problems, prescribe training programs, monitor the conduct of these programs and, finally, assess the results. And what we're able to do is help them keep their training force up to date.

Some examples of some of the things we are doing, in one case we had a company having problems because they would train someone as a repairman, invest $22,000, and the individual would decide he didn't like to be a repairman. So we were able to develop some testing which we administered to successful repairmen, and then we standardized that, validated it, and now we're administering that to candidates so they can predict that they are going to be investing money in people who will enjoy the work and be productive.

This industrial training program, this program for farmers, programs for operators of small businesses, really represents, I think, the kind of working arrangement which is productive, in that we have Federal support, we have State support, we have a local commitment from the standpoint of taxes. And, finally, the receiver of these benefits also contributes to the program through tuition or a fee.

Chairman PERKINS. Do you have two businessmen with you where you have done their training?

Dr. ADAMS. Yes, sir.

Chairman PERKINS. Are those gentlemen sitting beside of you?

Dr. ADAMS. Yes, sir.

Chairman PERKINS. If you don't mind, why don't you get into that aspect. That's what we want to hear.

Dr. ADAMS. OK, fine. I have a couple other remarks and then I'll be glad to have them share with you some of the things that we're doing together.

Chairman PERKINS. All right.

Dr. ADAMS. One feature that we're providing for employers is what we call "contractual service," where, for $19 an hour we'll help them train new employees or train existing employees. Really, we have a lot of flexibility. We have the capability. What we need are financial resources to get the job done.

There has been success. Our job placement has been documented. During the last 5 years our job placement has ranged between 90 and 96 percent of the people we have been working with. We have over 300 advisory committee members to make sure that our training programs are on target.

And, in conclusion, vocational education can get the job done. We like to think of ourselves in western Ohio in vocational education as the people helping people to help themselves.

And a couple of the folks that we have been working with are here with me and I would——

Chairman **Perkins**. Well, you introduce them and go ahead.

Dr. **Adams**. All right. This gentleman to my immediate left is Jim Sorenson. Jim Sorenson is the production superintendent at Hartzell Propeller Co., located in Piqua, Ohio.

Chairman **Perkins**. Go ahead and tell us.

STATEMENT OF JAMES E. SORENSEN, PRODUCTION SUPERINTENDENT, HARTZELL PROPELLER, INC., PIQUA, OHIO

Mr. **Sorenson**. OK. I thought I might just mention we are representative, I think, of some of the companies that Dr. Adams helps and we have 400 employees. And our company history goes back to when George Hartzell lived next door to Wilbur and Orville Wright. And Wilbur talked George into making airplane propellers at his lumber mill up in Piqua. And we've been making airplane propellers ever since.

Now we are coming into direct competition with an English company—Dody Rotow is the name of it. They make Rolls Royce parts and they are subsidized now and getting into the propeller business. So we need to be as efficient and as effective as we can be. And we need to be competitive. And we've been able to draw on the joint vocational school for all kinds of resources.

Now, first of all, we've hired some of their students but that hasn't worked well because there aren't enough students. They are hired way in advance and there just aren't enough to go around in our immediate area. So we went to them and asked for help in training. And we set up an introductory lathe program on Saturdays. It's a 30-hour course, 6 hours for 5 Saturdays.

And the people—28 people volunteered to go on their time. We paid for the course. And 14 of the 28 passed. And now we have a list of candidates who have the kind of—they know they like this kind of work and we know that they can do it—that they are capable of it—and we're able to work them into our machinist—our higher-paying machinist jobs.

As a sidelight, we also had some women sign up for this course and in a small town in Ohio machinist has traditionally been a male. And this allowed the females to try out for this kind of work to see if they liked it.

So another way that the vocational schools are helping us, in addition to this training, is MBO—management by objectives—seminars. We had gotten interested in the management by objective process and were actually going to have to go up to Michigan University to get help. That was the closest place. And then we found out that our JVS had this kind of training available. So we went to them. The chairman of our board, the president of our company came and all of the management team, and we've been able to become a more effective company because of the training that they provided for management by objectives.

And the last thing that they've been helping us with is assessing people for promotion. And it's just been tremendously successful. We've done our best, but they have a battery of tests that they could help us with that measured what we were trying to get in a supervisor or a management marketing person and it's worked out very successfully. We've screened the candidates, they've tested them for us, and we've been able to pick, I think much more effectively, for the jobs that we needed help in in our management team.

That's basically how our joint vocational school has helped us as a small company that can't really afford to have the kind of training staff and the resources available. But they've pooled their resources and are helping the employers in our community a great deal.

[Prepared statement of James Sorensen follows:]

PREPARED STATEMENT OF JAMES E. SORENSEN, PRODUCTION SUPERINTENDENT, HARTZELL PROPELLER, INC., PIQUA, OHIO

I am James E. Sorensen, Production Superintendent of Hartzell Propeller, Inc., Piqua, Ohio.

I am pleased to have the opportunity to comment on the vocational education program. As Production Superintendent of Hartzell Propeller, Inc. a growth industry presently employing 400 people, I am not only interested in seeing this nation's industrial and economic strength rebuilt, but I am also vitally interested in the future of my own plant and the welfare of industry in this and surrounding communities.

The direct application of the vocational education program in this area to this objective is that people who really want vocational help are being helped. This is especially critical in light of the curtailment of public service CETA employees as well as the fact that the immediate area of Dayton, Ohio, is experiencing increased unemployment among the automobile workers. The effect of a 25 percent cut in federal funding of vocational education for disadvantaged persons, handicapped persons, adult education and vocational education involvement in industrial development would seem to me to be counterproductive to building national strength.

Hartzell Propeller's direct involvement with the local Upper Valley Joint Vocational School has been of considerable value in keeping our company competitive with an overseas competitor that happens to be highly subsidized by their own government. We are not large enough to have the kind of staff that would allow for what has been made available to us by our own joint vocational school. First of all, we have hired both a machinist and an apprentice toolmaker directly from the school. We would like to hire even more graduates of the school, but there just aren't enough to go around.

Consequently our second use of the vocational school was to have them set up an industrial lathe program of 30 hours, consisting of five 6-hour classes on consecutive Saturdays for our own employees who wanted to gain preference in our bidding system for our highest-paying machinist jobs. Of 28 employees taking that course, 14 sucessfully completed it, having proven they are ready for a higher-skilled job. This is not only beneficial to Hartzell Propeller, but it is also beneficial to the employees in that they were able to try out a job that they did not know whether they would like or not. Also worth noting is that several of our women signed up for the course in what has been traditionally a male job. Finally, this opportunity for training screened out applicants who either weren't interested in this type of work or truly weren't capable.

The third use that we have made of the Upper Valley JVS is to conduct a series of Management by Objectives Seminars for our management team, which included the Chairman of the Board and the President of our company. We have experienced lasting benefits from the expertise that was made available to us through our JVS.

Most recently the Industrial Training Center of the Adult Education Department at the school has helped us in assessing candidates for promotion and for upgrading pay levels. Although we are paying for this service, I did want to mention it because it is part of the overall contribution that our very fine JVS is making to us and our industrial community.

I feel that any financial cuts in their program would not be in the interest of what is presently trying to be accomplished in Washington and in fact could hinder what may be one of the truly effective programs in this country.

Chairman **Perkins**. Introduce your other gentleman.

Dr. **Adams**. OK. This is Pete Jenkins. He is director of human resources for Hobart Bros., located in Troy, Ohio. They are makers of the world's best welder.

STATEMENT OF PETER E. JENKINS, DIRECTOR, HUMAN RESOURCES, HOBART BROTHERS CO., TROY, OHIO

Mr. **Jenkins**. We're a little prejudiced. Mr. Chairman and fellow members, I do work with the Hobart Bros. Co. and, for a company that's been in existence since 1917. The chairman of the board is 92 years old and comes in every day.

We employ better than 2,000 employees in the city of Troy. We have a namesake there in Troy by the name of the Hobart Corp. who recently was purchased by Dart and Craft. They are in the food-preparing business and we're in the welding business. So I wanted to separate those names if you were confused.

We've used the Joint Vocational School a number of times. We've hired welders ever since the first year they started—they went into the welding business. They've done a good job. A lot of these welders have been able to go into the basic welding position and move on to welding instructors or into procedure laboratory of our welding company. They've done an outstanding job.

We've hired machinists, tool and die people. We've hired office clerical help from the Joint Vocational School and found it to be very, very successful.

I can't understand—I can't understand how we're going to get ahead, since we do lack productivity—there's no question about it—how are we going to get ahead by cutting finances and turning these people, perhaps, into welfare recipients and not giving them the opportunity to train and become productive in our society. That does concern me.

It seems like we'd be wasting our dollars on the welfare part of the program and not really be putting those moneys into where it can be beneficial to all of us, which is this country. I believe that concludes my remarks, unless you have any questions.

[Prepared statement of Peter Jenkins follows:]

Prepared Statement of Peter Jenkins, Director of Human Resources, Hobart Bros. Co., Troy, Ohio

The effect of a 25 percent cut in federal funding of vocational education for disadvantaged persons, handicapped persons, adult education and vocational involvement in industrial development would be a disservice to both employees and employers.

At Hobart Brothers Company, we use the Upper Valley Joint Vocational School, Piqua, Ohio for a number of training and testing programs. Through our contract with the UVJVS Assessment Center, for example, we assess both present and prospective employees to determine their aptitude and their interests. These assessments then help us to place people in jobs suited to their skills and interests.

Vocational schools provide people with marketable employment skills that they cannot get elsewhere. Though high schools do offer training in some areas, not every student has the ability, interest or need for that type of training or for the type of job which that training may lead to. Industry needs quality welders, machinists, data processors, and secretaries in order to improve America's slipping productivity. The Upper Valley Joint Vocational School provides the quality of student we need. In fact, 75 percent of the welders we have hired from the JVS in the last four years are still employed with us. In addition, because of their polished skills and discipline, many of them have advanced to become welding instructors and welding technicians.

We believe that because a person is not a good student, but is a good welder, machinist, or secretary, he or she should not be penalized by denying them the same opportunity for training and self-improvement offered to high school students.

At Hobart Brothers, we also send our own employees to classes, seminars, and other programs at the JVS to sharpen their skills for promotion. These programs not only improve the employee's skill and self-esteem, but also give companies like Hobart Brothers, employees better equipped to face the challenging times ahead for business and industry.

In order to assure that the JVS provides its students with the skills needed by industry in our area, a number of our employees, as well as employees from other companies sit on advisory committees that monitor the school's curriculums.

America's productivity is slipping and we must find some solutions to regain our position in the world marketplace. The development of our people into a skilled workforce is our most valuable resource and is as important as the purchase of new manufacturing equipment and the development of new technology if we are to continue to provide the world with competitively priced, high quality products.

It is our opinion that vocational training is the vehicle between welfare and a job, between worthlessness and self-esteem. A cut in federal funds for vocational training will mean a decrease in the number of skilled Americans in our workforce and an increase in our welfare rolls. It is difficult to see where any savings would occur, since we would be taking money from one area and adding it to another.

It is our conclusion that more people would be hurt and that America's productivity would suffer even more by this proposed cut. Taking these two factor into account, any savings that might result from this cut would be insignificant.

Chairman PERKINS. Well, I take it that you do not agree with the Reagan proposal of cutting out these training programs. It's just going to lead to more relief and more loss of taxes and more unemployment compensation.

Mr. JENKINS. Amen.

Chairman PERKINS. All right. Our next witness is William LeMaster.

STATEMENT OF WILLIAM LeMASTER, EDUCATION DIRECTOR, UNITED AUTO WORKERS, OHIO

Mr. LEMASTER. Mr. Chairman and members of the committee I'm delighted to have the opportunity to be here, but I want to say one thing before I start. I want to assure you that I've never met any of these gentlemen before, we haven't had a chance to rehearse our testimony. But I'm going to pick up just exactly about where Mr. Jenkins left off because I'm a resident of Kentucky and have been a lifelong resident and graduated in 1937 from Holmes High School in Covington.

And there are some periods of time I'm sure you can remember that the economy of this Nation was in pretty sad shape. And for 3 years I had virtually one nothing job after another nothing job until the Federal Government, in a need to try to train more welders, started to develop a program that eventually became into a vocational educational program in 1940.

And so I was trained as a welder by a person named Bob Michaels in Covington, Ky., and got a job with the Trailer Bill Co. and I had an opportunity to use Mr. Jenkins' products quite well. I know a great deal about it from the other end of the side.

I took a leave of absence in my employment. I'm a certified welder and competent and still practice and still have welding experience.

But that's not the reason that I'm here primarily, but it is evident that during the same period of time when our Nation was in dire trouble and there was a corollary between then and the present time, our Armed Forces were relatively at one of its weakest levels in history. And by the same token our industrial might—I mean at that point in time it was just in the process of trying to be.

But through the vocational system, not only did I get a job, but the vocational system has developed and brought a defense industry second to none and enabled us to win a war.

But in 1951 I was selected as international representative to the United Auto Workers Union. And in 1964 Walter Reuther selected me as education director for the United Auto Workers Union and I have served in that capacity since that time on his staff and other presidents of our union since that period.

I've been involved in labor education and first primarily with training the workers in our union to do their jobs in their respective categories and committees in a better capacity. But then we in the union commenced to seeing that there has to be more. There had to be different horizons. There had to be higher skills for the leaders of our unions. They had to be developing the leaders because some of the oldtimers were dropping off.

So we started working first in the State of Ohio to develop labor studies programs in that State. We weren't quite as successful initially in Ohio as we were, finally, in the State of Kentucky. I'm pleased to announce that in 1975 that Northern Kentucky University instituted the 12th associate degree program that was instituted in the Nation. And our labor studies program was off and running.

Shortly thereafter, a year or so later, we were able to get the council or the board of regents of the State of Ohio to agree to six pilot programs in associate studies throughout the whole of the State. At the present time each of those programs are in operation and each of those programs are successful.

I also, just from the standpoint of background, want to tell you too that Northern Kentucky University through the auspices of P. D. Albright, its president, and Eugene Land, the commissioner of labor for the State of Kentucky—the Commonwealth here—we have been successful in getting before the Council of Higher Education a baccalaureate in labor relations which will have three tracks. And one of those tracks will be in labor studies. The other two tracks—industrial labor relations, the other track, public sector labor relations. So we expect in the State of Kentucky to be able to turn out people that are qualified and trained to handle and have some expertise—practical as well as academic—in the field of labor studies.

I'd like to in this area—the only thing—I'm not here in this respect to give anyone any idea that the UAW or any of the rest of us are supporting Mr. Reagan's program to cut any cuts in education in any field. We feel like that there should be more support for the school system—not less.

And in particular the thing I'm here is that I want to address specifically a couple of facets of education that we feel like that the

Congress in its infinite wisdom is going to take care of the positive needs of the people of this Nation and its educational system.

But there are other things that are still needed dealing with the vocational system even today for that matter. And one of the problems that we've run into in industry, as far as industry is concerned, the lifestyle that we live and the young people today in many respects march to a different drum than did my generation. Because many of them come into the plant, an industrial plant. They move into a plant that's controlled by line speeds. It's controlled by stopwatches and it's controlled by production standards. It's controlled by quality control necessities. And sometimes they don't understand those processes.

Quite often they are not prepared to enter the wonderful world of work. And so one of the things, and I suppose really that should really not cause anybody too much surprise, because in our society today, who really prepares the kids for it, for entering into the wonderful world of work as it exists in a high speed production plant today?

Their home life is fragmented. The news media certainly does very little on the job. They usually print the sensationalism. Peer group pressures, for that matter, are not conducive to education. And certainly television is debilitating rather than educating, or at least I think that is the judgment that many of us make and certainly I make.

And I feel like that only the school system really takes on the responsibility of trying to prepare children to enter adult life. And it is an awesome responsibility. And they are handicapped by numbers of schools. They are handicapped by a lack of funds. They are handicapped by inadequate machinery that parallels that that industry is using. And certainly they are handicapped from the standpoint of having sufficient instructors paid sufficient amounts.

But I believe there is another element that can help, too. And the UAW believes very well, we feel like labor unions throughout the whole United States, in cooperation with Government and industry, can provide another element, another facet to that training.

And as an example, I would like to cite, and through lack of time our schedule has been probably just as confused and harassed as yours, so I did not have the time to prepare complete testimony. But I did photocopy a couple of exhibits that I have submitted, and the committee has them.

And one of the things that we have been very proud of occurred in the State of Michigan, in Congressman Kildee's area. But there, as a trial project, and this is an item that virtually is an unusual item in that there is practically no cost to it.

So I am going out for two suggestions, one short-term and one long-term. In the short term it does not cost anything. Because we put together a program called the high school labor studies program. It is a cooperative effort of the AFL-CIO, the work education councils, and the school boards and the teacher education organizations in Michigan.

And on a trial basis we started the program, and the first place we started it was in Michigan. And the course of study, the curricula, is a 10-session course in which the retired staff persons from the various unions came into the vocational education schools. They brought in materials at no cost to the school system. They brought in films or projectors or whatever was needed. And they conducted programs that would in effect try to show that there is a cooperative effort between the labor unions and the industry today, and try to help prepare them into the wonderful world of work.

There is a statement from the Michigan department of education.

Chairman **Perkins**. We want to ask you questions.

Mr. **LeMaster**. Yes, sir.

Chairman **Perkins**. You are making an excellent statement. But we may not have time for some questions when people get out of here. Why do you not summarize the rest of the statement, because we want to hear you respond to a question in a few minutes.

Mr. **LeMaster**. All right, sir.

Chairman **Perkins**. About this cutback, how is it going to affect us.

Mr. **LeMaster**. Congressman Perkins, the cutback is absolutely going to be completely debilitating without any question of a doubt. I mean, your vocational school system as it now stands, in my judgment and speaking of vocational training schools that I have had an opportunity to see in Ohio and in Kentucky and also in Virginia or in West Virginia and in Pennsylvania, they are at the present time undermanned, they are understaffed, they are underfunded, they are underequipped, and they cannot handle the children that they have.

And so as a result of that, any cut, I mean any cut whatsoever, is going to be absolutely disruptive as far as defense effort, economy, or whatever, as far as that is concerned.

The other thing that we want to propose, we want to suggest to you, and all we are interested in in this is a resolution from the committee as far as that is concerned. We would hope that the committee would give us some encouragement in this respect. But the State of Maine has prepared a course outline and a workbook. It is one of the most beautiful things that we have available to teach labor education throughout the whole United States. 5,000 copies of this were prepared by the State of Maine and sent throughout the whole Nation.

This university has a copy here in its center at the present time. I talked yesterday on the phone, I talked to John R. Hanson, who is the staff representative that prepared the program, put it together for the University of Maine, and asked him, how is it doing, what is the response, what is the situation.

And he said as far as this is concerned, the program has been an outstanding success in the State of Maine. He said at the present time the labor studies programs is being utilized in this book and is now in effect in 80 percent of the elementary and the vocational education schools in the State of Maine. Now the only thing that keeps it from being 100 percent in those schools is the lack of funds.

[Material submitted by William LeMaster follows:]

University of Maine at Orono,
Orono, Maine, December 7, 1978.

William LeMaster,
Public Administration Department, Northern Kentucky University, Highland Heights, Ky.

Dear Mr. LeMaster: Thank your for your letter and inquiry of December 4, 1978 regarding The Work Book: *A Teachers Manual for Labor Education.* I am enclosing a copy of this publication since there is no charge at this time. You will note this project was made possible through a grant awarded to this office, and for as long as supplies last we are able to provide these to interested organizations on a no charge basis. Please accept our apologies for the lack of a cover. However, we were only able to publish a limited number.

We hope that you find this publication worthwhile, and I would very much appreciate hearing from you regarding your frank and candid suggestions and comments on it. I can only add that should your office or any agency be interested in reproducing portions of this book proper credit should be given to the Bureau of Labor Education, University of Maine at Orono. Thanks once again for your interest.

Sincerely,

John R. Hanson, *Staff.*

—HIGH SCHOOL LABOR STUDIES—

A Cooperative Effort for the Familiarization
of High School Students With the World of Work
By
The UAW, in Cooperation with the AFL-CIO, Work
Education Councils, School Boards and
Teacher-Education Organizations

Foreword

The need for the UAW to get its message across to the young men and women in our secondary school system about the world of work they will soon be entering upon graduation, has never been more serious than it is today. Even though the public, as a whole, is more enlightened about the American/Canadian Labor Union Movement today than in years past, this enlightenment has not been noticeably enlarged to include the public school system, and especially the secondary school curricula — of any high school that comes to mind.

Most of us still recall the sharp contrasts between the amount of educational information we received from our high school textbooks about the Labor Movement, and the kind of "learning through experience" we got from our own on-the-job activities in the real world of work.

Compound this lack of adequate educational information for high school students who, by and large, upon graduation, will be seeking to enter the realistic setting of the world of work, with the negative attitudes of many of them, gained from a generally indifferent or covertly antagonistic communications media, and the problems of the Labor Union Movement are obvious.

However grim and serious these facts present themselves to be to the continuing strength and progress of the Labor Union Movement in the United States and in Canada, there are several rays of hope on the horizon and within our reach from which we can take comfort and renewed dedication.

The teachers in our American and Canadian educational system are fast becoming more union minded and organization-oriented. Labor's gains have had a spill-over, ripple effect of such continuing and increasing proportions that the entire economies of both our nations have undergone lasting, positive and progressive changes.

Not the least of these brightening rays of hope of Labor's horizons has been efforts by several Work Education Councils, School Districts, Teaching and Administrative faculty members and Boards of Education to become more concerned with the employability of their graduate students in the job markets of their communities. One example of such concerned effort is in Livonia, Michigan, where a Work Education Council, supported by the community, the school system and Madonna College, has gone beyond the planning board, and involves students in realistic work activities as a means of familiarizing them with the world of work. Business, Industry and Labor members comprise the Southeastern Michigan Area Work Education Council.

From the Livonia project, designed to reach and teach high school students about the world of work, has successfully evolved the UAW Public Speakers' Bureau.

A comprehensive explanation of how such a UAW Public Speakers' Bureau is established, how it should operate and what kind of subject matter it should consider, in attempting to communicate with high school students, follows in this publication.

Considering the "turnover" among the new hires that come into industrial plants, and the lack of accurate information high school graduates have about the world of work, the need for a functional, responsible program enabling the UAW and other American /Canadian labor organizations to communicate with these students BEFORE they become part of the job-seeking market, has never been more urgent.

The UAW Public Speakers' Bureau is a challenge and an opportunity for all of us.

It is a challenge because we are talking about the union members of tomorrow. It is an opportunity, because we now have a means of talking to these high school students, many of them the children of our own UAW members, about the positive aspects of the American/Canadian Labor Movement.

Let's resolve to rise to such challenge and opportunity in every community in the true sense of the meaning of that basic UAW tenet that emphasizes: The UAW makes progress with the community, not at the expense of it.

UAW POSITION ON HIGH SCHOOL LABOR STUDIES

The relationship between the workers and employer address these basic questions:

1. What are the rules?
2. Who makes the rules?
3. Why are they made?
4. Who enforces the rules?
5. What are the individual rights?

These questions will arise as long as producers of goods and services exist and contain the legitimate right to give orders which others must obey.

The UAW feels this aspect of citizenship must be presented with considerable impact to the student who will soon enter the world of work and must be done so with the same integrity as those influences exercised in preparation of students who enter the world of commerce and business.

The parties have become concerned about attitudinal factors that make new worker communication very difficult. Disciplines of the union and management are not fully understood by the new worker. Consequently, one-third of those new entrants into the mills and factories are unable to cope.

Because of the interest in these publics, as students to whom we feel responsible as unionists, teachers and educators, and our interests in them as the children (in many instances) of our UAW members, and as possible future union members themselves, the UAW wants to share the commonality of concept and purpose of this program with the State Department(s) of Education and those State Department Advisory Committees and Councils with similar commonality.

We hope that this project may serve as a basis for a similar project in your individual and collective areas.

The Purpose of the UAW High School Labor Studies Program

- Tell the story of the UAW—what it is, what it does and why . . . to our fellow citizens no matter where they exist in the High Schools, Colleges, Civic, fraternal and other groups, and where the UAW message can be heard.
- Present the UAW message in a positive way . . . our programs, policies and purposes and goals so that all those interested will hear and be given the opportunity to question and examine.
- Provide UAW Speakers with the answers and equipment to appear in these forums with dignity and competence. To inform those who seek answers and debate those who oppose us.
- Reach the community opinion makers, who can enlighten others . . . and to interpret the union to those opinion makers in such a way they will understand us. What we do, why we do it . . . and how we as unionists and citizens of the community respond to our duties and obligations toward social and economic progress.
- Recognize that union bias does exist, to meet our opponents honestly, factually and with no reservations.
- Reach the high school student who eventually will become one of our membership. To help equip them for the world of work, their rights, their responsibilities.

If you think this type of program could be used in your region and area school system, please contact the UAW Education Department by calling (313) 926-5474, whereupon we can assign a staff person to work with you.

Union Analysis and Commitment in Philosophy and Practice

The overwhelming majority of today's young Americans expect to become employed. The very first year following graduation from high school 90 percent of the males who did not attend college entered the labor force, and 72 percent of the females joined them. Only a small percent of them become self-employed. The question then becomes, what are we doing to teach these young people what it means to be an employee?

Many members of organized labor are of the opinion that the high school system is still more concerned with concentrating upon those students, who may be college prep material in the eyes of their parents, teachers or counselors, at the expense of the non-college bound students. Maybe this is as it should be and would be most effective, if at the completion of high school studies the students did, in effect, continue in higher education; but again, the statistics alarm us. The percentage is hardly 50 percent. Thus, if little or no emphasis is made to prepare the students for alternative live courses, then much of their high school experience is lost.

It is a sad experience for a union leader to enter a high school class as a resource person, and find a general attitude among the students that factory work is low grade — only for the under-achievers. The term "shop rat" is frequently used by teachers in reference to the future stations of those who do not excel academically.

The remarks of Ben Seligman, Director of Education and Research for the Retail Clerks International Association represent these frustrations:

> "Is it too much to ask that the teaching of economics in schools be relevant to the lives of the students and their families? Since a large portion of students will be working for a livelihood, should not they learn that a collective bargaining agreement spells out work relationships, provides for grievance and arbitration machinery? In short, the union is something more than a lever to move wages up. Should not students learn more of the broader economic issues that will affect their future . . . full employment . . . economic growth . . . taxes . . . housing . . . government spending . . . and prices."

Certainly, not all the blame must fall upon the school administration. Labor must assume some of the responsibility, because labor has exerted little pressure for alterations in the approach to the teaching of social studies. Therefore, our commitments in philosophy and practice are outlined in our "Project Labor," and it is our fervent hope the educational institutions of our country will see the problems that face the young worker as he or she enters the world of work and join with the labor unions of this country to prepare them.

THE NATURE OF EDUCATION

Property and labor in different classes are essentially antagonistic; but property and labor in the same class are essentially fraternal . . . Education, then, beyond all other devices of human origin, is the great equalizer of the conditions of the balance wheel of the social machinery.

HORACE MANN,
from Lectures and Annual Reports
on Education, 1867

Cooperative Effort For The Familiarization Of High School Students With The World of Work

Abstract of the Project

A continuing unmet need in the impact area of this proposed project, as well as in the entire State of Michigan, is the almost total lack of internal information and historic knowledge of the American Labor Movement at the secondary education level of Michigan's public school system.

This project was developed by jointly cooperative efforts of the Livonia School Board, Madonna College and the Work Education Council of Southeastern Michigan Inc., the AFL-CIO, the United Automobile, Aerospace and Agricultural Implement Workers of America, UAW International Union, and other labor organizations. The Project's primary purpose and goal is the amelioration and correction of this lack of information about the American Labor Movement.

Problems to be Addressed

Through a well-coordinated and mutually cooperative effort on the part of all the participating organizations, noted above, the following topics of discussion and subject matter will be presented to Franklin High School as a pilot program:

- Labor History (to be presented in two segments)
- The High School Student and the World of Work
- Union Structure
- Union democracy and duties of representation
- The Quality of Work Life
- Occupational Health and Safety
- Minorities and Women in the World of Work
- Labor's Role in the community and legislative processes
- Labor's Historic Support of Public Education

Many of the secondary school students who will be the recipients of this information under the proposed program procedures, will be entering the world of industrial work upon graduation. It is expected that the presentation of the subject material noted herein will better prepare those students to take their place in the world of work, than they would otherwise have experienced if no such labor and work familiarization program was made possible.

Impacts and Expected Results

The expected impact of this proposed program will be to more thoroughly familiarize the publics to be reached with the essential knowledge of the work place and the bona fide labor organizations that represent workers in those work places, than they would experience if they did not receive such factual information and helpful guidance by the participants.

It is expected to better prepare potential workers in private industry with a better understanding of:

- their rights;
- their benefits;
- their responsibilities to:
  themselves,
  their jobs,
  their fellow workers,
  their unions,
  their families,
  their communities;

and if these goals to better understanding are attained through the medium of such a proposed educational program for secondary school students in this program, the students, the schools, the employers, unions and the total community will be the beneficiaries of such positive efforts.

Outputs and Overview of The Project Design

In order to best meet the anticipated goals of this proposed program, it is expected that close coordination and cooperation of all parties involved be employed by all participants involved in the delivery system. The Labor Movement will develop and employ, through the medium of a Public Speakers' Bureau of and from Organized Labor, those speakers who, through their own life experiences and personal involvement in the Labor Movement can best address the subject matter contained in the proposed Program. To this end, the Labor Movement will make Public Speakers, and, where needed, materials and films that address themselves to specific subject areas in the proposed program.

Integration of Effort

The total effort will be integrated among the responsible parties in order to present the most informative and objective program possible to the secondary school student, who will comprise the publics to be reached through this program.

Evaluation

Evaluation of this program would be both immediate and delayed. The immediate evaluations can be readily assessed by analyzing student/teacher/school/labor activities and reaction to the programs as they are presented.

The delayed and more substantial evaluation would be made by the industries that hire such students upon their graduation from the impact schools, and the unions to whom they would become members. In a larger sense, the long range positive impact upon the communities in which these students will live and participate as responsible adult citizens may be the ultimate determination of the success of this proposed project.

It is a truism that good students/good workers/good union members/and responsible adults make good citizens of their communities.

A review of "Project Labor" by the Adult Extended Learning Services of the Michigan Department of Education brought forth the following evaluation:

> "In view of the fact that 80% of the work force is going to be involved directly on the job with organized labor, the educational package [Project Labor] you have put together could not be more 'relevant.'
>
> "The advent of organized *labor* in the United States has prevented the classic war that Marx, Lenin and Engels thought was inevitable. Therefore, organized labor is an important factor in the American way of life and ought to be studied in school on a footing with History and Government."

The Director of Career Education in the Livonia School District points out it is important for students to become enlightened to the World of Work . . . Not only has "Project Labor" been meaningful for these students, it has provided valuable insight into the world of work for faculty and school administrators as well.

Chairman PERKINS. Thank you very much.

Our next witness is Mr. William Hull, Superintendent of Educational Service, Illinois. We understand that you are from Paul Simon's district, Mr. Hull.

Mr. HULL. That is correct.

Chairman PERKINS. Move over just a little bit and let Mr. Hull crowd in there. And go right ahead, Mr. Hull.

Mr. HULL. Would you prefer I summarize the testimony?

Chairman PERKINS. Yes. Without objection, your prepared statement will be inserted into the record and just summarize your statement.

[The prepared statement of Mr. William Hull follows:]

PREPARED STATEMENT OF WILLIAM E. HULL, SUPERINTENDENT OF EDUCATION SERVICE REGION, GALLATIN-HARDIN-POPE-SALINE COUNTIES, HARRISBURG, ILL.

Let me say at the onset that this is indeed a pleasure for me to appear before this distinguished panel to encourage support of the present level of federal funding for vocational education. Immediately you will find I am biased. However, I hope to convey to you here today that my bias is supported by the need and desire of more than ten thousand Southern Illinois students to better prepare themselves for a functional life in today's changing world.

The fact that 87 percent of this four-county[1] region's high school students and 60 percent of its junior college students are enrolled in vocational training is indicative of the importance placed on these programs. We have recently completed a comprehensive study of current and projected needs for vocational education in these counties. Federal and State funding has made that survey possible. The data collected is now being used to develop a delivery system through inter-district cooperation to provide a wider selection of courses to all our students. Without the current level of funding this needs assessment would not have been possible and the proposed new system cannot be fully developed to benefit these students. Implementation of this new plan will of necessity involve greater capital outlay for equipment and personnel. We prefer to consider this outlay as an investment in youth and the economic future of our rural area. Furthermore, we feel this area is truly representative of many similar rural settings across our great nation. If our current national goal is to fight inflation, improve the general economy, and efficiently finance our governmental operation we must train now to provide a future work force to sustain both the economy and government itself. Those with training needs today are the work force of tomorrow.

Programs for vocational education are by their very nature very expensive to initiate. Currently our local schools are funded at the approximate rate of 12 percent Federal and State monies and 88 percent local monies. A decrease from any or all of these sources will curtail new programs and seriously impair those currently operating. Furthermore, this impairment will also limit the number of students trained.

A 25 percent cutback in funding can be interpreted as 25 percent fewer persons reached through the training.

We have reached the current level of limited course offerings only by the joint effort between Federal, State, and Local agencies. The funds provided by our national government have served as an incentive for state governments to increase their efforts.

Likewise, the two together have encouraged stronger local initiative. This three-way effort has developed over a period of years. An interruption in the continuity of this cooperation will cause drastic delays in immediate and future program developments. Such delays will be overcome only through many more years and much additional cost. Our best approach appears to be that of sustaining the current level of funding and hope for added available resources during the next few years.

The Regional Round Table on Rural Education, sponsored by the U.S. Office of Education in September of 1979, supports the need for our Federal government to:

1. examine federal financing formulas and other funding mechanisms to ensure local flexibility is provided (94.9 percent agreement);
2. establish the federal government's rural research agenda in conjunction with the rural constituency (90.5 percent agreement);

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[1] Four counties of Gallatin, Hardin, Pope, and Saline in Southeastern Illinois.

3. provide additional support for transportation, facilities, and delivery systems in rural school districts (89.1 percent agreement);

4. enable and encourage rural school districts to combine funding from various programs (89.3 percent agreement);

5. support communication networks to share information among rural educators (85.6 percent agreement); and

6. support broad-based vocational education programs in rural areas (85.2 percent agreement).

These proposals indicate the continuing need for a joint commitment between all levels of government. Due to the varied demographic, geographic, and economic factors involved in rural communities we must be aware that per person (student) costs are high. Small communities and school districts cannot on their own provide equality of opportunity.

Since the inception of the Vocational Act of 1963, Illinois has made great magnitudes of change in program direction and State funding. Through those years we have consistently increased the number of programs offfered and the number of students served. Business, industry, and the total community have joined with us in cooperative efforts via advisory councils, employment, and various other forms of participation. During this time when enrollments have increased and greater involvement have been attained, the costs of providing programs has been greatly inflated. Furthermore, we have experienced a rapidly changing industrial world and additional needs for retaining as well as initial training. Local rural school districts cannot finance this undertaking alone. Possible some larger schools can do so, but I venture to say very, very few. If we hope to continue to meet these ever-increasing demands we must convey to our Congress the vital importance of a joint cooperative approach for funding. Local school districts and the State of Illinois have shown a sincere interest in effectively serving our citizens. This service is a national concern as well. State legislators have willingly appropriated toward a proportionate share. However, they too become discouraged when they see fiscal cutbacks which may be constructed as a lack of interest in the field. This is not to indicate that our Congressmen have been apathetic. Far from it. However, we are all aware the pressure now is extreme to decrease spending at all levels. A majority of this nations' citizens have indicated in various ways that they prefer spending curtailment. However, these same persons are sensitive to social educational, and economic needs. I bring here today the message that these "average, everyday Americans" do not wish to destroy hard-earned, long standing programs which have proven themselves effective. The effectiveness of vocational programs is very clear in al regions of our various states. Rural Southern Illinois is a good example. There is evidence to show that this effectiveness in terms of quality and scope can be directly related to initiative-financial and otherwise.

A definite parallel can be drawn between financing preparedness for military defense and financing preparedness for economic defense. Once again, the "average, everyday Americans" sincerely desire assurance that our nation can defend itself in time of war. Likewise, these same citizens have historically sought and continue to seek reassurance that we are preparing a strong internal defense to continue a strong economic system capable of supporting itself. This self support comes through preparing our youth in skills and academics to meet the supply and demand aspects of the strong economic system. Investment in vocation education will defend our nation just as surely as will investment in a new bomber or added military personnel. We must not let ourselves be misled to believe that a strong military will satisfy all our woes. Yes, it is essential. However, in military strength alone were the answer the USSR would have no economic problem.

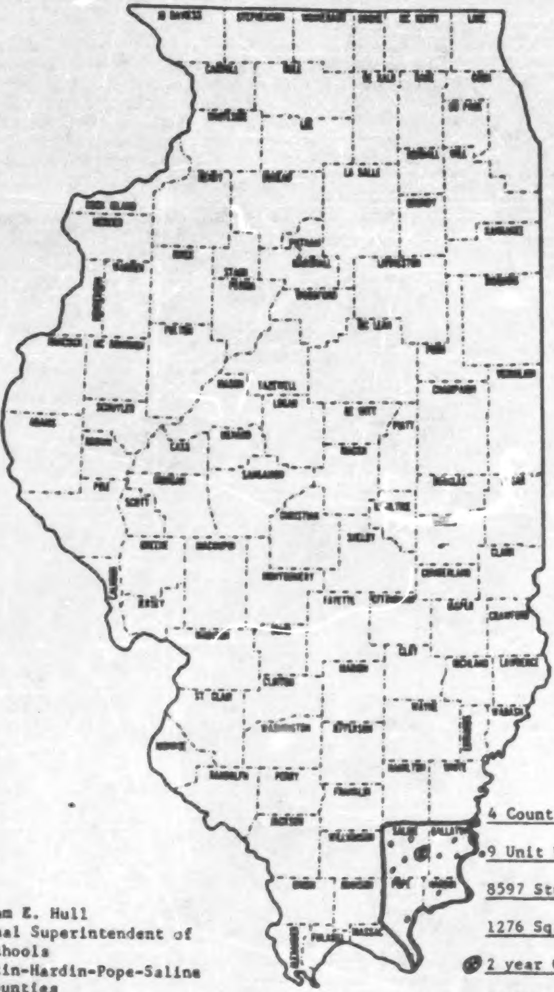
Not for a moment do I wish to be misinterpreted here. I along with most rational Americans feel the great need for military improvements. At the same instance we feel the increased military expenditure must not come at the expense of our most valuable national resource—the youth of today.

In Illinois we will experience a 31 percent cutback in funds for vocational education if the proposed Federal and State reductions are sustained. This seems disproportionate to across-the-board cuts in other areas. Some have suggested seeking a local property tax increase to support these losses. However, it goes without saying that the taxpayer has "had it" with tax increases in general and specifically with regard to property taxes. This local tax increase concept just is not a rational solution. One level of government cannot simply pass-the-buck to another. Ultimately the buck stops with the taxpayer. A cutback at one level only to see an increase at another is not relief. Our solution can better be reached through a well planned, organized national-state-local effort to improve efficiency and reduce spending where possible and practical.

True, the current national budget-cutting process appears tasteful at first sight. The trend for states to tighten their belts seems likewise. However, in recent days we are seeing the final analysis of public attitude. This public is now becoming very discerning in regard to proposed cuts. For you as Congressmen, I urge you to review the first and last public reactions and attempt to critically review the proposals before you.

For vocational education, and education in general for that matter, we have had a very successful working relationship between levels of government under the Vocational Education Act. This can and should continue. If I may venture to say so, we will surely see the need for added outlay for the future. However, in this time of economic plight we can just as surely function together to review, delete, and improve our budgeting process across the board. No one welcomes the inevitable cutbacks. However, if this process is truly uniform in all areas, I for one believe we can accept it. I only ask that you view expenditures for education in respect to its importance to our social and economic structure. In so doing I feel very positive that you will treat education fairly.

Thank you for your time and indulgence. My office staff and I are at your disposal for further information if you so desire.


JO DAVIESS
STEPHENSON
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FRANKLIN
JACKSON
WILLIAMSON
SALINE
GALLATIN
POPE
HARDIN
UNION
JOHNSON
ALEXANDER
PULASKI
MASSAC

4 Counties

9 Unit Districts

8597 Students

1276 Sq. Miles

⊗ 2 year College

+ 2000 Students

William E. Hull
Regional Superintendent of
Schools
Gallatin-Hardin-Pope-Saline
Counties

1981-82 WILL BE TOUGH YEAR FOR SCHOOL DISTRICTS

From: Illinois Association of School Boards News Service

Illinois school districts are in for a year of belt-tightening and budget-juggling, warns Harold P. Seamon, executive director of the Illinois Association of School Boards.

"At both state and federal levels, the emphasis is on holding the line on public spending," Seamon said. "Budget-cutting moves will be felt throughout the public sector, and particularly in public education in the coming year."

At the state level, Governor James Thompson has recommended an increase of $87 million over last year's appropriation—less than half of the $187 million increase considered necessary by the State Board of Education.

"Even the State Board's recommendation was a conservative one that would meet only the minimum needs of the public schools," Seamon said. The $87 million recommended by the governor represents only a 4.1 percent overall increase over last year's appropriation. This compares with a current annual inflation rate of about 13 percent."

Of the governor's recommended $87 million, nearly $20 million must go to the teacher's retirement fund, Seamon explained. The governor has not made recommendations as to how the remaining $67 million should be allocated between the general state aid formula and such state-mandated programs as pupil transportation and education of the handicapped. The governor has strongly suggested, however, that the legislature and State Board of Education should seek ways to eliminate costly requirements.

Adding to the budget crunch in many districts is the average one to two percent decline in student population—a total of about 50,000 students across the state. Because the school aid formula is based on average daily attendance, a moderate decrease in the number of students can cut a district's funding without allowing similar reductions in expenditures, Seamon pointed out.

"A loss of one percent of a district's students would rarely allow the school board to close facilities, reduce staff or cut other overhead expenditures, for example," he noted.

"The state aid appropriation finally determined by the General Assembly—probably in late spring or early summer—undoubtedly will represent a compromise between the State Board's recommendation and the governor's," Seamon said. "But the mood in government is such that the final figure is likely to be closer to the governor's proposal than to the $187 million that is needed."

At the Federal level, the outlook is just as ominous, Seamon warned.

President Reagan's so-called 20 percent cuts in federal spending actually translate to an overall reduction of about 36 percent in federal education spending, according to figures from the National School Boards Association.

Vocational education would suffer a 31 percent cutback under the President's plan, and the school nutrition program would be cut by a devastating 45 percent, which would mean only the poorest children would be eligible for free or reduced-price lunches, Seamon said.

The President's proposals also call for a consolidation of several Federal title programs now funded separately, including bilingual, handicapped and adult education into a single block grant to each state, with a 27 percent reduction in total funding for the combined programs.

"Again, we can expect these proposals to be modified by the Congress," Seamon said. "But the mood of belt-tightening is clear."

What does all this mean to Illinois school districts?

"The impact will vary from district to district," Seamon said, "depending on local taxing levels, growth or decline in student population and so forth. But for most districts, the only alternatives will be to cut spending or increase local taxing. Neither choice is popular."

In some districts, declining enrollments will allow the closing of facilities—a necessary move in economic terms, but a difficult decision in human terms. "Every building closed is someone's neighborhood school," Seamon said. In the 1977-78 school year, the most recent for which figures are available, 207 buildings in 60 Illinois counties were destroyed, closed or sold—and that number continues to increase annually.

Still other districts may be forced to lay off teachers, increasing the number of students in each classroom.

In addition, many districts will be seeking property tax increases. "The governor's recommendation presumes a 10 percent increase in local tax revenues, although of course this will not be the case in every district," Seamon said.

"These are difficult times for public education," Seamon said. "In an era when more knowledge is available than ever before, and when students need to learn more than ever before to deal with an increasingly complex world, resources are tighter than they have been for more than a quarter of a century.

"Every school district in Illinois will feel the effects to some extent, some quite severely. More than ever before, local school boards will need the support of their communities," Seamon said.

He suggested three ways citizens can help maintain the quality of local school districts:

Contact legislators and members of Congress, urging them to make certain public education bears no more than its fair share of the budget cuts.

Work with school boards as they set priorities and seek ways to hold the line on local spending. Recognize that some worthwhile programs may have to be eliminated.

Be open-minded about the possible need for local tax increases to maintain the schools.

STATEMENT OF WILLIAM HULL, SUPERINTENDENT OF EDUCATION SERVICE REGION, HARRISBURG, ILL.

Mr. HULL. Very well. I will try to be brief.

Chairman PERKINS. Keep in mind what the President wants to do, cut back vocational education 25 percent. Let us know what you think about it.

Mr. HULL. Very well. Attached to my testimony you will find a summarization from the school board association of the State of Illinois which shows the effects of this and the proposed state cuts in Illinois which will amount to some 31 percent, I believe you will find, in the State of Illinois in vocational education.

Needless to say, I am here unbiased and in favor of about 10,000 students in 4 counties in southern Illinois, favoring continuing support for vocational education to maintain programs that we now have going and to add courses and take care of additional student enrollments. We are finding, whether it be due to the economy, due to the trends in society, or whatever it may be, that more and more of our students are enrolling in vocational courses at all times. Whether they be high academic students or low academic students, they are enrolling.

We are talking in our four-county region there of some 85 to 90 percent of the students enrolling in vocational courses in one form or the other. In a 2-year junior college in this four-county region, we are showing 60 percent of junior college level students enrolling in vocational education courses.

To me this points out a dire need not only to sustain what we are doing now in funding, but to add to the current funding. Local districts in the State of Illinois or any other State can maintain this effort on their own. We have, since the inception of the Vocational Education Act, had a joint effort between the national, State and local agencies on vocational education. It has been a good working relationship. It has performed well and we have had some very good programs come out of it.

Now, if we go with the cut that is proposed in the national budget and the proposed cut at the State level in Illinois, that means either we cut programs or the funding be totally picked up at the local level. And ladies and gentlemen, I am here to say it cannot be picked up at the local level.

The local taxpayers is just as fed up as they are nationwide. You know that story. You hear it all the time. I see no chance whatsoever of increasing local taxation to offset this cost. So I would think

I am right in saying that the final analysis would be to cut the programs.

And we are in a position today where we cannot afford to cut programs. We are talking about the greatest natural resource we have and that is the youth, the young people that need to be trained. If we are talking of fighting inflation and bolstering the economy, then it seems to me our best approach is to do it through training the work force that will help sustain this economy.

We talk about building a stronger defense. I am 100 percent in favor of that. But there is another defense that we overlook. There is an internal defense, and that is what we are talking about in vocational education, is keeping this work force built up and functioning within our Nation. We have to defend our country. We have to be in a position to defend it. That is why I say I support the national defense.

But we have to look at the internal defense at the same time. And that is what we are talking about when we are talking about educating young people. For this reason I strongly support at least sustaining what we are doing in funding right now, and hopefully, as soon as we can get out of this crisis situation, look at additional funding for vocational education.

And I would end right there and leave room for questions.

Chairman **Perkins**. All right.

Ms. Nancy McClure from Mississippi Junior College. Go ahead and give us your views along this.

[The prepared statement of Nancy McClure follows:]

Prepared Statement of Nancy McClure, Vocational Industrial Training Coordinator, Mississippi Delta Junior College District, Moorhead, Miss.

Mr. Chairman and Members of the Subcommittee: My name is Nancy McClure. I speak on behalf of the citizens, and business and industry in Mississippi and the concerns I have for their future, and the economy.

I am a newcomer to vocational education; therefore, my perspective and the majority of my comments will be made from the private enterprise or an employer's viewpoint, now tempered by almost a year of experience as a vocational education coordinator.

As a vocational industrial training coordinator, my time is devoted to designing, organizing and administering specialized training programs for all industries in the eight county district to which I am assigned. Presently there are seven coordinators in our state and future plans call for a total of 13 to better serve the needs of all business and industry throughout Mississippi.

I was born and educated in Kentucky and, because of a strong family influence, chose to seek a career in industry. In 1965 I joined Irvin Industries, Inc., a major supplier of seat belts to General Motors and Fisher Body. During the almost 15 years I spent with this firm I became acutely aware of the shortcomings in our educational system. Mainly, our youth were not receiving the kind of education and training while in school that prepared them for the world of work. Today, we still find a very critical situation—advances in science and technology have created a great unbalance between available jobs and available workers.

In March of 1979, because of Irvin's phase-out of the Kentucky facility, I transferred to the Greenwood, Mississippi facility as personnel manager. I had just over 400 hourly and 67 salaried employees. At a peak period, our facility was producing around 20,000 seat belts per day with our work force made up primarily of Mississippi Delta people. Due to the educational and previously agriculture background of the rural Delta population, we found an immediate need for training in our group of employees. A very large percentage were not educated beyond the eight or ninth grade. The world of manufacturing was a tremendous change for these individuals coming from an agricultural, welfare oriented background. The vehicle used in getting this education to my employees was the Vocational Education Industrial Training System.

By establishing a team effort with industry, the Vocational Education Industrial Training System in Mississippi was able to train the employees, not only in basic education but advanced blueprint reading, precision measurement, quality control, production control and cost reduction, just to name a few. We then instituted a full two-year training program for our Quality Control Department. The end result has been rewarding, not only to the company but to the employees and the community as a whole.

To further document the evidence of the value of the vocational program to our industry, I pass on the following information. Each year General Motors evaluates their suppliers based on quality of product produced and adherence to their specifications. In the written statement by the General Motors' team, the training programs were the key factors in the rating received. Irvin is one of several General Motors' suppliers. The best rating a supplier can receive is number one. Irvin in Greenwood received a number two. Only one other plant, Pontineer Plant in Mexico, received a number two. All other suppliers were rated three, four or five, which is the lowest possible rating you can receive and still remain a supplier. The vocational training program in our Quality Control Department was the key to our success.

Another point I would like to make on behalf of quality vocational training is a statement Irvin Industries is very proud to make. "We (Irvin) have never had a recall on our seat belts produced in the State of Mississippi." Common headlines in the newspapers alert us to the recall of various products by the manufacturer to make needed corrections and repairs. Usually mistakes were made during the manufacturing process causing problems that, in turn, necessitated recall. Recall, repairs and corrections are very expensive and have to be made and paid for by the manufacturer. The companies live with and learn from mistakes. I feel by using vocational training, Irvin prevents such a costly mistake. The federal dollar is a good investment in vocational education and, as evidenced here, makes a significant contribution to industrial productivity.

In July 1980, I was approached by the school that I had utilized for my training programs to join their staff as industrial coordinator. I made this move for several reasons. One specific thought that was uppermost in my mind, was, after seeing such a need for vocational training and the tremendous effort the Mississippi Department of Vocational Education was putting forth, I decided to become a part of this effort. I truly feel that industry, the business community, and education must share the responsibility for improving the entire process of education, and because of today's critical needs, it must, I repeat, must include occupational education.

I mentioned earlier the recall of various products. Many people do not realize it, but the United States is involved in a mass recall of the product of the educational system; however, there is very little opportunity for educators to learn from their mistakes because most do not have to live with or correct their errors.

The present program of people recall is the CETA program whereby thousands of school dropouts and other people have found themselves unemployed due to the lack of either salable skills or the basic educational requirements to attend college. As I stated earlier, somewhere for some reason, these people failed to receive adequate preparation for work from the educational system. The federal investment in vocational education provides for educators to correct and learn from their mistakes.

Too many people in decision-making positions still believe that students and the world of work must conform to the educational system. The problem is that too many systems still operate as if the world has not changed in 20 years, and so the curriculum is still "preparing" students for life as it was 20 years ago. The system as a whole is not working well enough; therefore, the dropout rates are high and youth unemployment is out of sight. What is the future for the youngster who drops out of high school? We know, and the dropout learns, that the lack of a high school diploma and salable skills spells disaster. Today's work world has no place for them.

Only about ten to twenty years ago, few voices were heard opposing, critizing, or praising vocational education. In fact, it was probably difficult to find a dozen educational leaders in any state who were interested in furthering vocational education. I was not one of those dozen people.

The situation is different now. The roles and objectives of the educational system are questioned and criticized because social and economic forces have demanded a change in perspective and attitude. Changing conditions in our society have created an entirely new environment—new insights, jobs, industries and national objectives.

Advances in science and technology have created unbalances in the nation's social, economic and educational institutions, and have changed the nature of human problems. Some of the symptoms that graphically illustrate these transformations are the manpower shortages in skills and technical occupations; the high unemployment rate during peaks of prosperity; the difficulty young people experience in breaking into a career. No one is more aware of these symptoms than employers. As one example, I am presently working with several companies needing trained people to operate numerical control machines. Projected dollar figures to implement and train quality operators is extremely high, but it must be done. Some startling statistics in reference to machinists issued by the Department of Labor are that the United States will need 22,000 machinists per year through 1985, and 210,000 machinists plus 196,000 machine operators by 1990. In each of the next 10 years, America will also require 10,400 tool and die makers, and 58,000 machine and repair persons.

By seeing these statistics, I know vocational education must come up with a permanent solution to the problems and needs in this area. Only vocational education can do this.

Today's students will spend over 50 percent of their working years in the 21st century. This same generation of young people must be the individuals who fulfill the needs as stated above because they are engulfed in such a whirlpool of change. Our vocational educators of today have the responsibility for educating these youths and reeducating adults to the new dimensions of today. We must form a stronger coalition between education and industry. Vocational education needs a "programmed" exposure to the real job skill needs. In fact, education needs an "early warning" system for the job skill needs in order to prepare students for the future, not the past.

Once we believed that economic stability meant employment for all the able-bodied. Even today, growth in the Gross National Product means more jobs for more people and a stronger economy. But the real key to full employment in our country lies in developing the potential of each individual for a productive life in our society. Vocational education is the bridge to the world of work.

With the year 2000 looming on the horizon, every citizen who hopes to play a productive role in American society must have occupational training of a sort whether he or she wants to be a brain surgeon or a machinist. If we are to step into the future without stumbling, we must produce trained citizens in this country. Our own Governor William Winter states, "The future economic development of the state depends on a supply of adequately trained labor, the kind that our vocational and technical programs produce so well."

STATEMENT OF NANCY McCLURE, VOCATIONAL INDUSTRIAL TRAINING COORDINATOR, MISSISSIPPI JUNIOR COLLEGE DELTA DISTRICT, MOORHEAD, MISS.

Ms. McClure. Mr. Chairman and members: Thank you for the opportunity to be with you.

I represent the Mississippi and the industry and the education field there, and their future and the concern I have for them. I am a newcomer in vocational education. My perspective is that the majority of my comments will be made from the private enterprise or employer viewpoint, tempered by almost a year's experience as an industrial coordinator.

As a coordinator, my time is devoted 100 percent to designing, organizing and administering specialized training programs for all business and industry in my eight-county district in Mississippi. I was born and educated in Kentucky, joined a Kentucky firm in 1965, and later transferred to Mississippi as personnel manager of a plant with over 400 employees. We were a supplier for General Motors seatbelts.

And I became acutely aware of the shortcomings in education and what was not being done as far as an employer needs. I found a great unbalance between available jobs and available workers because of the great advances as far as high technology is concerned.

I utilized as personnel manager the vocational education training system in the State of Mississippi and later joined that same effort, because I felt there was a great need and that I possibly could become an asset to that system.

As an industrial coordinator, I have worked with product lines from railroad spikes to blue jeans to pianos to nuclear energy to construction steel, presses. And I do not want to give you a lot of statistics, because they can go on and on.

But I am currently trying to put together a training program for the numerical control machinists, which is only one of the many needs. And in doing some research, just to give you some brief figures: Department of Labor statistics, we have a need for 22,000 machinists per year through 1985, 210 machinists plus 190,000 machine operators by 1980. In each of the next 10 years America will require 10,400 tool and diemakers and 58,000 machine and repair persons.

And being from industry and going, making the transition to vocational education, I feel like the only cure for this need will be vocational education. With the year 2000 looming on the horizon, if any citizen really hopes to play a productive role in this society I feel like they cannot do it without occupational training.

As I say, I have been on the other side of the fence and realize that in producing quality seatbelts, which we were, 20,000 per day for General Motors, it could not have been done in my particular plant without the training that we brought in through the vocational training system.

Our own Governor Winter just recently stated, and I would like to repeat it, I agree 100 percent: "The future economic development of the State depends on the supply of adequately trained labor, the kind that our vocational and technical programs produce so well."

And I want to thank you for this time and I do not want to take up much more. I know everybody is scheduled. But I would like to share some of my few moments with Dr. James Shill right here beside me, who is director of our Research and Curriculum Unit for Vocational Education at Mississippi State University, and also, beside him, Mr. Edward Bishop, Sr., who is chairperson for our State Advisory Council on Vocational Education.

Chairman PERKINS. Go ahead.

Ms. MCCLURE. Thank you.

STATEMENT OF JAMES F. SHILL, DIRECTOR, RESEARCH AND CURRICULUM FOR VOCATIONAL EDUCATION, MISSISSIPPI STATE UNIVERSITY, MISSISSIPPI STATE, MISS.

Dr. SHILL. Mr. Chairman, members of the subcommittee: I would like to take this opportunity, before I give you a brief summary of what we are doing in Mississippi in industrial services, we would like to express our appreciation to you and the committee for your support in the past and what you are trying to do to get this Nation back to its number one role as the most productive Nation.

Chairman PERKINS. Well, you are going to have to help us work on some Congressmen in Washington. [Laughter.]

Dr. SHILL. We are trying to do that, sir.

Chairman PERKINS. All right. Go ahead.

Dr. SHILL. I would like to just tell you a little bit about Mississippi's emphasis on industrial services. This is a cooperative effort between Federal funding, local funding, State funding, and the private sector. We customize individual programs for local industries.

At the present time we are conducting three types of training: preemployment training, postemployment training, and continuing industrial training. Our programs are dealing anywhere from nuclear physics on down through some furniture manufacturing and other types of plants.

The impact that was made in the industrial service program in the last 5 years in Mississippi: we trained 18,928 employees for companies. At the completion of their training, 16,123 were placed on the job in the next week or two after training. The others chose to accept jobs in other places.

Right now we are conducting 39 industrial training programs. The regular vocational programs have benefited greatly by the industry services programs. We are taking the new knowledge that has been generated from our industry training programs and placed it into the vocational programs. I brought some samples of the type of materials, training materials, that we are preparing for the individual companies. And I do not know whether you want copies of these, but I will leave those with you.

It is my opinion that if we are going to retain or get back to the No. 1 producing country in the world, we are going to have to spend some time, effort, and money now to do some things. Vocational education has been called on for the past few years to do more and more to help people, with less and less resources.

It reminds me of a preacher saying: Give me $1 and I will go out and save the world. We cannot do that any more.

If the present funding cut goes through, in my opinion there are three things that are going to happen: We are going to get further and further behind in our vocational programs as far as technology goes. We will have no funds to implement new technology into the programs.

We are on the verge right now of trying to implement new methods of training people to get them employed. Without the funds that are coming right now, a reduction in funds in my opinion will reduce services approximately the same amount, 25 percent.

It is my feeling that the challenges we face today are probably greater than they were 10 years ago. I think as we look around the country we can see that everybody is in trouble as far as finances and other things. But if we are going to get people back to work, we are going to have to train them to work. And if we do not get productivity back in the individual, all kinds of Federal programs are not going to help.

[The prepared statement of James Shill follows:]

PREPARED STATEMENT OF DR. JAMES F. SHILL, DIRECTOR, RESEARCH AND CURRICULUM UNIT FOR VOCATIONAL EDUCATION, MISSISSIPPI STATE UNIVERSITY, MISSISSIPPI STATE, MISS.

Mr. Chairman and members of the subcommittee, I am James Shill, Director of the Research and Curriculum Unit for Vocational and Technical Education at Mississippi State University. Our organization encompasses Research and Development, Curriculum Development, Personnel Development, and Industrial Services for the State of Mississippi. I would like to express my sincere appreciation to you and other members of this subcommittee for your past support of Vocational Education and your interest in getting this country back towards its maximum production capability.

The Industry Services effort in Mississippi is a comprehensive effort of marshaling resources from the Federal, State, local, and private sectors in order to provide training for specific productive jobs. These endeavors have increased not only the opportunities for our citizens, but have increased their individual productivity within specific jobs. This has been demonstrated time and time again by replacements hired "off-the-street" and not participating in the initial training programs in many of the industries with which we have worked.

We are currently offering three types of training programs to the industries and people in our State:

(1) Pre-employment training;
(2) Post-employment training; and
(3) Continuing industrial training.

Every specialized industrial training program is different; each one is customized to match our peoples' training needs and to the specific performance needs of the particular industry. This is accomplished with an experienced staff at both the state and local level, working closely with a designated representative from the industry. The industry representative determines the job eligibility expectations and a program is mutually agreed upon and carried out accordingly.

INDUSTRIAL SERVICES OPERATIONAL PROCEDURES

In summary, the usual step-by-step process in developing and administering the Mississippi industrial training programs follows:

1. The State Director of Vocational-Technical Education designates a highly qualified and experienced staff person to work with a prospective industry. This individual will provide the industry with information about our Mississippi system of specialized industrial training and examples of services available, and will be authorized to commit training assistance to the industry within the policies and resources of the Vocational-Technical Education Division.

2. Once an industry makes the determination to locate in a specific part of the state, the local and state delivery team goes into operation. The state industrial training staff and the local school industrial training coordinator meet with the industry's representative to begin development of specific training needs and strategies. The curriculum development staff from our Industry Services Section of the Vocational Education Research and Curriculum Unit at Mississippi State University are brought in to begin analysis of the curriculum and related needs.

3. The curriculum is designed and training manuals are developed and published for use in the program by the Research and Curriculum Unit. The manuals are designed to teach prospective or new employees job skills as prescribed by the company. Each manual is "custom tailored" to meet individual training requirements of the respective company. Training manuals generally are either: (a) orientation and basic skills or (b) job procedures. (See sample manuals)

4. Personnel are recruited for the program with assistance of the local Employment Security office.

5. Plans are firmed up, projected time lines established, memorandums of understanding written and funds are committed to the training program. The entire team works to develop its part in preparation for the actual training. Everyone involved stays in close communication, with the local industrial service coordinator taking the lead. The state office monitors progress and provides technical assistance as needed.

6. Training begins.

7. Follow-up and follow-through by state and local personnel throughout the training program keeps the program on target. The program can be amended and redirected as needed by mutual agreement.

8. The program is completed (may be in phases).

9. The program participants are screened and, those acceptable, employed by the industry.

10. Further training is negotiated according to specific needs and resources available.

11. Local vocational-technical education personnel are available for future training needs. Job requirements of the new industry are incorporated into on-going, conventional vocational-technical education programs whenever feasible. State vocational-technical personnel are available for assistance as needed.

Mr. Chairman, the impact of this program on Mississippi has been phenomenal. In the last five years a total of 18,928 persons have been trained with 16,123 of them employed immediately upon completion of the programs. Even in these uncertain times we are currently working with 39 new and/or expanding industries in the state. The benefits which have documented both to our people and to industry are exceptional. Industrial personnel starting up new plants have told us they are operating in the black during the first year of operation due specifically to the trained personnel that this program has provided.

The Industry Services program in Mississippi has been of immense value to regular vocational programs. Information and materials from specific industrial services are used in the up-dating on curriculum materials produced for regular vocational programs. New procedures/techniques from industry are infused into personnel development activities for regular vocational instructional personnel as a direct result of this program.

In my opinion, if our country is to regain its role of leader in the ability to produce, a concerted effort must be made now to rechannel our resources and energy into up-dating our antiquated machinery, technology, and in some cases of methods of training people. We in vocational education are called upon to keep pace with rapidly changing technology with resources which buy less and less each year. We in vocational education have the know-how to accomplish more than the available resources will allow us to accomplish. Vocational Education has been called upon to intensify our efforts to serve targeted populations, which rightly or wrongly has resulted in on-going programs falling further behind. Ladies and gentlemen, we are being forced into a Catch 22 situation. We, in my opinion, should do fewer things better than more things in a mediocre manner. If we are to succeed in making each American more productive a total commitment must be made in order to link productive people to productive jobs. This can be accomplished through vocational education as exemplified by industry services programs.

STATEMENT OF EDWARD S. BISHOP, SR., CHAIRPERSON, MISSISSIPPI STATE ADVISORY COUNCIL ON VOCATIONAL EDUCATION

Chairman PERKINS. Mr. Bishop?

Mr. BISHOP. Thank you.

Chairman PERKINS. Identify yourself for the record.

Mr. BISHOP. Congressman Perkins and committee: I am Edward Bishop, Chairman of the State Advisory Council to Vocational Education. That agency's chief responsibility is to serve as an agency to identify the needs among youth out in our State and make recommendations to the Division of Vocational Education as to what programs should have priority in the State plan for vocational education. So consequently we are much concerned with the situation which we face now, because of the new administration's concern to cut services.

Currently there are more than 168,000 persons who are currently being trained in vocational education programs in Mississippi, including those in schools and our adult programs. However, due to a lack of money, available personnel, facilities and equipment, full services cannot be adequately provided to meet the training needs of the ever increasing enrollment in our vocational programs.

Presently, another one-third of the persons seeking vocational training must be denied the opportunity because of a lack of funds under the present level of funding which we are receiving. According to our Director of Vocational Education, Mr. Elwyn Wheat, the State's first increase in vocational education funding over a period of 5 years came in 1976.

This was inadequate. It did not help us keep pace with the increasing cost to service the enrollment, increasing enrollment in our vocational programs. And certainly, he further states that if this 25-percent reduction should come that the administration is absolutely in error in that it would have a negligible effect on our vocational education programs. It would almost devastate some of the programs which we are in the process of offering youngsters.

And another serious impact on it is that on our disadvantaged youngsters and our handicapped. According to law and in keeping with present funding, 10 percent of the vocational budget is for handicapped. And even though Mississippi is spending a considerable percentage above this amount out of its own funds, the State is not able to meet the needs of these disadvantaged and handicapped students.

This of course certainly is a problem so far as the state is concerned. Should the State experience cutbacks in funding to any degree in moneys allocated to the State in any form, the disadvantaged and handicapped would be the first to suffer as a result of any cutback in the already limited services now being provided.

Evidence gathered through surveys by the Mississippi State Advisory Council to Vocational Education revealed that over 70 percent of the disadvantaged and handicapped students suffer reading and mathematical difficulties. Many others of this group, as well as those in regular vocational education programs now, lack employability skills because we have not had enough employees to help them in the affected domain where these experiences would certainly come.

Present funding levels are not adequate to provide us these services. A cutback in funds would prevent the replacement of outdated equipment. This is a very serious problem, which would prevent rapid implementation of new technology into vocational programs, that which is being demanded by industry as it comes into our State.

The upgrading and retraining of instructional personnel would be seriously hampered if we suffered any kind of cut.

Curriculum development and innovations would be curtailed. We just would have nothing with which to carry this on.

The rapid implementation of critical specialized services would certainly be brought to an end. For an example, as I have already pointed out, remedial education activities would almost be nonexistent. Guidance and counseling activities would be curtailed. And specialized services for the handicapped which are so badly needed would likewise be slowed down substantially.

This thesis is substantiated by a current survey made by the Mississippi State Advisory Council just recently.

Chairman PERKINS. Let me ask you.

Mr. BISHOP. Yes, sir.

Chairman PERKINS. Can you get up there and sell a lot of your Congressmen on these things, what is going to happen if these cutbacks go through?

Mr. BISHOP. Well, let me say this. I have already been in touch with Congressman Jamie Whitten. He and I talked on the telephone the other day.

Chairman PERKINS. Jamie is all right. What about the others. [Laughter.]

Mr. BISHOP. Well, I can get to Congressman David Bowen.

Chairman PERKINS. We think we know what is going to happen.

Mr. BISHOP. Yes.

Chairman PERKINS. And especially in States like Mississippi and Kentucky, where we do not have the funds. But what we are worried about is getting support for this program, not letting these cutbacks take place.

Mr. **Bishop**. Well, we certainly are in agreement that they should not take place. They should never have been advocated in the first place.

Chairman **Perkins**. I agree with you.

[Laughter.]

[Prepared statement of Edward Bishop follows:]

PREPARED STATEMENT OF EDWARD S. BISHOP, SR., CHAIRPERSON, MISSISSIPPI STATE ADVISORY COUNCIL ON VOCATIONAL EDUCATION

Mr. Chairman and members of the subcommittee, I am Edward S. Bishop, Chairman of the Mississippi State Advisory Council on Vocational Education. On behalf of 168,000 persons who are currently being trained by Vocational Education in Mississippi, including those in regular Vocational programs and adults, I express appreciation to you and the members of the subcommittee for your past support of vocational education. However, due to a lack of money, available personnel, facilities and equipment, full services cannot be adequately provided to meet the training needs of the ever increasing enrollment in Vocational Educational Programs. Presently, another one-third of the persons seeking Vocational training must be denied the opportunity because of a lack of funds.

According to Elwyn Wheat, Mississippi's Director of Vocational Education, the State's first increase in Vocational Education funding in five years came in 1976. However, this did not keep pace with the increasing cost. Regan Officials According to law and in keeping with present funding, 10 percent of the Vocational budget is for handicapped. Even though Mississippi is spending a considerable percentage above this amount, the state is not able to meet the vocational needs of all our disadvantaged and handicapped students who need Vocational Training.

Should the state experience cut-backs in funding to any degree and the monies allocated to the state in any form, the disadvantaged and handicapped could be the first to suffer due to a cut-back in the already limited services now being provided.

Evidence gathered through surveys by the Mississippi State Advisory Council on Vocational Education reveal that over 70 percent of the disadvantaged and handicapped students suffer reading and mathematical difficulties. Many others of this group as well as those in regular vocational programs, lack employability skills. Present funding levels are not adequate to meet these needs.

A cut-back in funds would prevent the replacement of out-dated equipment, which would prevent rapid implementation of new technology into Vocational programs. The up-grading and or retraining of instructional personnel would be hampered; curriculum development and new innovations would be curtailed. The rapid implementation of critical specialized services would seriously be curtailed—example:

1. Remedial education activities.
2. Guidance and counseling.
3. Specialized services for the handicapped.

This is substantiated by a current survey by the Mississippi State Advisory Council. The survey is not completed, however of the 204 businesses and industries surveyed, which includes 4,240 employees trained by Vocational Education, they were found to have serious deficiencies in reading, math and employability skills. Any cut-backs would make this situation even more critical.

One criteria which industry demands before locating a facility in a state, they are given assurance by the State or community, that trained employees can be provided through Vocational training programs.

We oppose any reduction of funds for Vocational Education, student grants, Title I and compensatory services in any forms. The continuation of these programs will be seriously hindered and the progress being made in strengthing the Economic security of disadvantaged people through current Educational programs now available will be totally obliterated.

Chairman **Perkins**. We have got one more witness there. Let him make a brief statement. Dr. Warner Dickerson, do you want to make a statement? You are from Tennessee. Go ahead.

[The prepared statement of Warner Dickerson follows:]

Prepared Statement of Dr. Warner Dickerson, Assistant Commissioner for Vocational Education, Tennessee State Department of Education

The impact of the declining federal investment in vocational education during the 1970's has been significant. In 1971, the per pupil investment in vocational education for the State of Tennessee was $59.00. This represented a total of 8.5 million dollars in federal funds for vocational education. The total number of students served for that same year was 143,572.

Let's now look at a more recent year in federal per pupil investment for vocational education. In 1979, Tennesee served 285,110 individuals through vocational education. The total federal allocation for vocational education totaled 12,078,000. The federal investment per student for 1979 was $42.00. This is a typical trend for the decade of the 1970's. Even though Tennessee has served a growing number of persons in vocational education, the federal dollars have not increased on a per pupil basis. This chart illustrates the trend for 1976–1979. These years were chosen because of their uniformity in reporting procedures through the Vocational Education Data System.

One's immediate question may be how has Tennessee been able to continue to serve a growing number of students with relatively the same amount of federal dollars. Those things which have suffered greatly are those things which make up quality vocational programs. For example, a survey was made to determine the greatest needs for vocational education in Tennessee. The one greatest need was the establishment of placement services for students upon completion of their training. However, restrictions in funding have prevented the implementation of these services.

A second need which has surfaced as being highly critical is effective guidance services for students. Surely all must agree that such services to students cannot be omitted from vocational programs. Each student must be given skills in order to make life-long career decisions.

Where, then, have funds come from to support growing needs of vocational education? These funds have been provided through state appropriations. However, dwindling state dollars no longer provide a source of funds. One must briefly view the current economic conditions of the State of Tennessee to understand the top priority of the Governor of Tennessee is to increase the average family income level of the citizens of Tennessee through more readily available and improved employment opportunities for them. Without a system to provide a trained and skilled work force, the goal is not attainable.

Outside of the five (5) metropolitan population pockets, Tennessee is a rural state with ninety (90) of the ninety-five (95) counties qualifying as economically depressed areas. Small businesses and industries are the main sources of employment of most of the citizens in these sparsely populated areas.

Tennessee has a state tax which cannot keep pace with inflation due to decreased revenue from sales tax and/or gasoline tax. Removal of federal support from programs which are facing decreasing state and local budgets will drastically affect the ability of vocational education to provide job training or retraining and to coordinate with other agencies to begin to revitalize the state's economy.

Let me cite a specific example of the consequences of the decline of federal investment to the State of Tennessee. The state has recently attracted a major new industry from Japan. Major shifts in technology have occurred, and teachers need a greater understanding of the scientific mathematical and technical skills in order to meet the demands of this Japanese industry. A reduction in federal funds has not permitted us to raise the scientific and technical literacy base of vocational instructors in this field. In addition, new equipment must be purchased to train persons who will work in this industry. A reduction in the federal investment has caused vocational laboratories to fall behind technology in order to train those workers. If substantial investment are not made in vocational education, Tennessee will continue to find difficulty in meeting the needs of new industry.

How did Tennessee meet this demand? Five million dollars of state funds have been removed from other vocational programs to meet the need. Such practices cannot prevail if we are to meet the needs of continuing quality programs and those of new industry.

This is only one area of concern for Tennessee. Other high cost training programs which have been identified by the Tennessee Department of Employment Security are many areas of health occupations, office occupations, and trade and industry. Extra dollars are needed to start new programs to meet these demands. In office occupations alone, Tennessee will need 60,000 additional employees. This information is reflected in the current state plan.

A declining federal investment for disadvantaged and handicapped students has also had an impact on Tennessee programs. Vocational Advancement Programs and

Vocational Improvement Programs are designed to serve these students. Ninety-seven systems out of 148 offer these programs. Twenty-five percent of these systems were able to justify a need for additional programs in 1981. However, monitary restraints failed to provide these needed dollars.

Tennessee does not fund many vocational programs for only one source of revenue (example: 100 percent federal funds or 100 percent state funds). Therefore, listing an exact number of programs which would close or presenting exact numbers of students who would not be served is difficult. However, I have determined that proposed federal budget cuts would reduce the number of programs or students served from 5 percent to 50 percent depending upon the level of training or population to be served. The greatest reduction would be vocational services to the handicapped and disadvantaged as state and local matching dollars would probably be reduced in accordance.

The greatest impact of the proposed federal reductions will not be felt during the first year of implementation. The removal of the support systems of equipment/technology upgrading, curriculum development/improvement, and teacher inservice/training will begin to erode the foundation of a vocational education system which is viable in the work world. The reduction of federal support wold weaken the increased responsibility for local planning, evaluation, and follow-up, which serves to keep the programs in tune with the changing economy and job market. Slowly decreasing the ability of vocational programs to react to changes in technology will further decrease enrollments and lead to obsolete and non-operational vocational programs.

IMPACT OF FURTHER CUTS FOR FISCAL YEAR 1982

If the citizens of Tennessee are to look to the future with a family income which has kept pace with inflation, they will have to train for new occupations, retrain for changed technologies, and upgrade within existing positions. A quality vocational education system, which meets the needs for employers and students, is needed in order to join hands with business, industry, and government to assure the matching of human resources with existing job opportunities. Reduction of federal support will greatly hamper the state and local ability to provide the above mentioned training which is necessary for economic revitalization in Tennessee.

Vocational educators in Tennessee are ready to work with the private and public sector to face the challenge of revitalization of industry, defense's need for skilled technicians, and emerging technologies in energy. However, it is imperative that there be stabilized and consistent federal funding for this challenge to be met.

STATEMENT OF DR. WARNER DICKERSON, ASSISTANT COMMISSIONER FOR VOCATIONAL EDUCATION, TENNESSEE STATE DEPARTMENT OF EDUCATION

Dr. **DICKERSON**. I was prepared to give you a 2-hour talk with charts and all.

Chairman **PERKINS**. Well, we do not want all of that. [Laughter.] Not now.

Dr. **DICKERSON**. We could put the whole thing in the record.

Chairman **PERKINS**. Without objection. We have got some people who have to get to the airport. Without objection, your prepared statement will be inserted in the record. Go ahead and summarize it.

Dr. **DICKERSON**. Well, the essence of it. I will not read this to you. It was prepared with some charts and displays, graphs, to kind of emphasize what I want to say. We have received declining attention for funding for vocational education at the Federal level, as we all know. And our per pupil expenditure has gone down, as we all know that.

Now, in the State of Tennessee this is going to have tremendous adverse effect upon us because we do not have the local funding capability, both State level and local within the communities, to compensate for this. And of course, you know that the State of Tennessee is classified as a rural State.

And being a rural State, we have some of the same problems that Mississippi has and I am sure Kentucky to a great extent: the special population kinds of students, the disadvantaged kinds of students, and the handicapped. We have our share of those. And certainly this is going to affect our ability to meet the needs of industry.

We are trying to attract more industry into our State. In fact, we are scheduled just some time during this fiscal year to have a Japanese truck plant come in. And the Governor has recommended as part of his budget that a total of $5 million be set aside for training. And certainly I am in accord with that.

But the only way to do that is to take it away from the other funding of vocational education and use it for the special industrial training, with the hope that an impact will raise the overall level of family income for our citizens, because these will all be good jobs, ranging between $20,000 and $25,000 per year for the people we are training.

And these will be Tennesseeans that we will train and not Japanese, as has been said.

We too feel that the emphasis or the deemphasis of funding vocational education and some of the proposed emphasis with military and some of the other categories is in conflict with the national priority, hoping that that be to get control, better control of our economic situation and to balance the budget, prior to putting people back to work to decrease unemployment.

We just do not feel that you can achieve that and at the same time deplete or tremendously reduce the amount of training that you do for people to go to work. We feel like they are in conflict, and certainly we would want to appeal to you, and we too have appealed to our Representatives, State, our Congresspersons and two Senators of the State of Tennessee to solicit their support. We have not been given an awful lot of hope, but at least they have listened to us.

And with that, I will stop so you can catch your plane.

Chairman **Perkins**. All right.

Mr. Hawkins, just let me compliment this panel. You have been excellent. You gave us excellent testimony. I just wish the entire House of Representatives could have heard it.

[Discussion off the record.]

Chairman **Perkins**. Mr. Hawkins.

Mr. **Hawkins**. I concur in your remarks. I have no questions They have been an excellent panel.

Chairman **Perkins**. And Mr. Kildee?

Mr. **Kildee**. I concur also. What I read from this panel is that we cannot really reindustrialize and increase productivity and at the same time cut funding for vocational education. So it is really contradictory to try to fight inflation, when one of the ways to fight inflation is to increase productivity, to cut a program that is designed to increase productivity in this. Would the panel agree with that?

Voices. Yes.

Mr. **Kildee**. OK. Again, I want to commend you. Your testimony has helped a great deal to arm us with specific information so that we can go back to Washington and try to influence our fellow Members of Congress.

Thank you, Mr. Chairman.

Chairman PERKINS. We thank all of you. And the committee will now stand adjourned. We thank all of you.

[Whereupon, at 5 p.m., the hearing was adjourned.]

[Material submitted for inclusion in the record follows:]

PREPARED STATEMENT OF JACK SEARS, PRINCIPAL, HAZEL GREEN ELEMENTARY SCHOOL

Mr. Chairman, it is with great pleasure that I appear before this Committee. I am Principal at Hazel Green Elementary School, located in a rural section of Laurel County, at East Bernstadt, Kentucky. Hazel Green School has 500 students currently enrolled, where I have been Principal for seven years. Of this number enrolled 62 percent of the students could be classified as socio-economically deficient.

Speaking for the County of Laurel, in October of 1980, the ADA was 7,029. The enrollment figure for the lunch program was 7,898 and 6,454 students were served among 13 various schools. The breakfast program served 1,428, with an enrollment of 4,148. The ADA was 3,691 in 10 schools represented.

In our county, we have a decline in number of paying students everytime we have gone up in price, and also, an increase in free and reduced priced lunches has followed. One of the more complicating problems is the fact that the cost of producing lunches and breakfast has risen so dramatically due to food and labor costs continually skyrocketing. These increases are in essence much more of a burden than local school budgets can take.

In a recent Laurel County research survey, taken during the month of March of 1981, among the parents of school age students, these results were learned. From a sample population of 1,500 Laurel County students, randomly sampled, 950 students' parents completed the questionnaire. The results are based upon those parents who would have or not have the ability to pay if school lunches were increased.

69 percent of the population will pack a lunch if increased.

9 percent of the population will do without if increased.

22 percent of the population would be able to pay if increased. Therefore, less than 50 percent would be able to afford the price increases in the school lunch program. Is this figure sufficient to have a lunch program—the main question one has to ask: Or will we have a type of program where some eat while others watch in dismay?

Based on October 1980's Food Service Program in Laurel County we observed these types of figures in the lunch and breakfast program:

0.1600 (sec. 4) multiplied by 2,554 (average daily paid) multiplied by 175 days	[1]$71,574
0.1350 donated foods multiplied by 2,554 (average daily paid) multiplied by 175 days	[2]60,375
Reduced meals:	
0.2850 multiplied by 620 (average daily reduced) multiplied by 175 days	30,975
0.0550 multiplied by 620 multiplied by 175 days	5,950
Breakfast program—Paid meals:	
0.1475 multiplied by 263 multiplied by 175 days	6,825
Total projected loss for Laurel County	175,700

[1] Loss of Federal fund for schedule year.

[2] Loss of funds.

I feel that if the proposed budget cuts are enacted, a terrific blow will be struck against a very successful and necessary program. As a school principal, who deals with children everyday, let me urge you to continue financing the National School Lunch program for both poor and non-poor. I know that the Lunch Program contributes to the educational process of our school children.

Thank you, Mr. Chairman.

KENTUCKY SCHOOL BOARDS ASSOCIATION,
Frankfort, Ky., March 17, 1981.

Hon. CARL D. PERKINS,
Member, Congress of the United States,
Rayburn Building, Washington, D.C.

DEAR CONGRESSMAN PERKINS: It is our understanding that your committee is considering having hearings in Kentucky on the impact of President Reagan's proposed budget cuts in the Child Nutrition Program, provided by Kentucky school districts.

We have received several calls from concerned school administrators, who are worried about the serious impact which the proposed cuts would have on the operation of our school lunch programs.

It is feared that a significant price increase for school lunches, which would appear to be unavoidable if the proposed federal budget cuts are made, would result in lower program participation and in a shift from "paying" students to students eating on the free and reduced price plan. This would appear to indicate that the proposed cuts may be, in part, counter-productive even from the standpoint of saving dollars. I know that Kentucky school lunch personnel are making every effort to hold the line against rising production costs and costs of non-commodity foods.

We certainly do appreciate your strong advocacy for a continued effective child nutrition program.

If we can provide you with more specific information, we would be happy to so so. Again, thank you for your continuing dedication to the best in educational opportunities for all Kentucky children.

Sincerely,

JAMES P. MELTON, *Executive Director.*

PREPARED STATEMENT OF PHILLIS ADAMS, HEAD START DIRECTOR, ESTILL, CLARK, MADISON, AND POWELL COUNTIES, RICHMOND, KY.

To: Representative Carl Perkins.
Dated: March 14, Public Hearing, Lexington, Ky.

CONCERNS

Loss of nutrition and day care funding affects families hit the hardest by other budget cuts.

If the prices of lunches go up to compensate for the cutback in funding, less children will be able to eat in the lunchrooms.

Lack of needed food will result in more health and learning problems.

More people will be encouraged not to work because of the lack of child care facilities.

There will not be special opportunities for children, parents, and teachers to increase knowledge, understanding, and skills in achieving good nutrition with the loss of nutrition education funds.

RECOMMENDATIONS

Instead of reducing the number of families eligible for meals at school, deduct all reimbursement for administrative costs; principals are doing much of the paperwork and ordering required even though a Food Services Supervisor is employed and paid with nutrition funding.

Do not allow schools to have a surplus of nutrition funds.

Reduce funding to schools and programs that have not corrected deficiencies found during Monitor Reviews of the nutrition program.

Cut funding for Family Day Care Homes.

Cut the Child Development Associate funding. Funding for this has been provided for several years without federal guidelines.

Respectfully submitted,

PHILLIS ADAMS, *Head Start Director.*

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